

# DAILY REPORT

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SHULTZ OUTLINES U.S. TRADE STANCE TO MIYAZAWA

OW230231 Tokyo KYODO in English 0217 GMT 23 Jul 85

[Text] Washington, July 22 KYODO -- U.S. Secretary of State George Shultz told a senior official of the ruling Japanese political party Monday Japan should take more effective measures to open its market to foreign competition, the second U.S. warning in six days of the huge Japan-U.S. trade imbalance. Shultz said relations between the U.S. Congress and the Reagan administration are strained over the trade dispute, according to Japanese officials. They quoted Shultz as saying he is not optimistic about how the Congress will act on a bill that would impose import surcharges on Japanese products.

Shultz voiced his concern in a meeting with Kiichi Miyazawa, chairman of the executive council of the Liberal-Democratic Party (LDP). During talks with Japanese International Trade and Industry Minister Keijiro Murata here last Tuesday, Vice President George Bush also called for wider access to the Japanese market, citing growing congressional pressure in favor of protectionism.

The Japanese officials said Shultz raised the trade problem in reference to the second phase of an "action program" scheduled to be announced by the Japanese Government next week as part of efforts to increase imports. During the 30-minute meeting with Miyazawa, a former foreign minister and a contender for the premiership, Shultz also reportedly said there are more things Japan should do domestically. This is obviously a suggestion that the Tokyo government of Prime Minister Yasuhiro Nakasone expand Japan's domestic demand further in a bid to increase imports and reduce exports. The bilateral trade imbalance in Japan's favor marked a record 36.8 billion dollars in 1984.

In the first part of the action program announced late last month, the Japanese Government lowered tariffs on 1,790 products by 20 percent. Noting that Japan is now considering removing part of its non-tariff barriers, Miyazawa told Shultz Prime Minister Nakasone is exercising strong leadership, backed by other LDP officials, to settle the trade dispute. Miyazawa added, however, he is not optimistic that the measures will produce immediate results. "Rather," he was quoted as saying, "we want (Americans) to look at our action as an indication of our serious efforts (to tackle the trade problem)."

U.S., JAPANESE BUSINESSMEN DEBATE TRADE IMBALANCE

OW230437 Tokyo KYODO in English 0400 GMT 23 Jul 85

[Text] Minneapolis, Minn., July 22 KYODO -- U.S. congressmen and business leaders severely criticized Japanese trade policies at a three-day Japan-U.S. businessmen's conference in Minneapolis, Minnesota, that opened Monday. Rep. Bill Frenzel (R., Minn.) and Rep. Richard T. Schulze (R., Penn.) referred to protectionist moves in the Congress and delays by Japan in implementing market-opening measures, conference sources said. The lawmakers said it is inevitable that a bill imposing a 25 percent surcharge on Japanese imports will be passed in the Congress, the sources said.

E.W. Spencer, chairman of Honeywell Inc., who gave a keynote address, called on Japan to import more U.S. products, take measures for boosting domestic demand, and broaden its market-opening policy so as to correct the trade imbalance between the two countries. But Spencer said he does not support the congressional surcharge bill, the sources said.



Prior to the conference, U.S. and Japanese business representatives, including Spencer and Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), discussed bilateral trade issues. Some of the U.S. businessmen asked for efforts by Japan to increase imports and restrain exports. Other Americans said Japan's market-opening action program, to be announced on July 30, will be properly assessed only if the trade imbalance is reduced in actual figures.

At the conference, Inayama said Japan should cooperate with the U.S. not only in the economic sector but also in the promotion of world peace. Akio Morita, chairman of Sony Corp., rejected the view that the Japan-U.S. trade imbalance is due only to the strong dollar. Seiki Tozaki, chairman of C. Itoh and Co., said Japan is not the only country to have a trade surplus with the U.S., but Japan is being made a scapegoat. The Japanese businessmen called for prudence by U.S. congressmen, the sources said.

On Tuesday, the conference is due to discuss in panel sessions advanced technology, bilateral trade, the flow of international capital, the proposed new round of global trade negotiations, trade with and investment in the Third World and communications between Japan and the U.S. The conference will end Wednesday after adopting a joint communique.

#### DEFENSE AGENCY INSISTS ON 8-PERCENT INCREASE

OW221143 Tokyo KYODO in English 1132 GMT 22 Jul 85

[Text] Tokyo, July 22 KYODO -- Budget planners proposed Monday that the fiscal 1986 defense budget should be limited to 3,266 billion yen, an increase of 129 billion yen or 4.1 percent from fiscal 1985, Finance Ministry officials said. The Defense Agency rejected the proposal, saying a 350 billion yen or 8 percent increase is necessary.

Finance Minister Noboru Takeshita and Defense Agency head Koichi Kato will meet Thursday to try to settle the matter, the official said. Defense lobbies among the ruling Liberal-Democratic Party (LDP), which are due to meet Wednesday, are expected to side with the Defense Agency, political sources said. Each state agency is now working out details of its budgetary requests because the maximum limit is decided in July. By December, the cabinet will adopt the budget for fiscal 1985, which begins next April.

Japan's defense budget for fiscal 1985 (April 1985-March 1986) is put at 3,137.1 billion yen, up 6.9 percent from fiscal 1984. Despite slow economic growth which checked the growth of tax revenues, the Japanese Government has allowed a comparatively faster growth in the defense budget since the early 1980s. The United States, which has warned Japan of a Soviet military buildup in the Far East, began pressing Tokyo to spend more on defense after the 1979 Soviet invasion of Afghanistan.

#### TOPICS OUTLINED FOR MINISTERIAL TALKS WITH CHINA

OW230017 Tokyo KYODO in English 0002 GMT 23 Jul 85

[Text] Tokyo, July 23 KYODO -- Japan and China will hold ministerial consultations here July 30-31 to discuss ways to achieve a "balanced expansion" of two-way trade and assist Beijing in its modernization program, the government said Tuesday. Chief cabinet Secretary Takao Fujinami told a cabinet session that Foreign Minister Shintaro Abe and six other Japanese ministers will discuss a wide variety of topics in plenary session and separate meetings with their Chinese counterparts.

Gu Mu, a member of the Secretariat of the Chinese Communist Party's Central Committee and leader of the delegation, will raise the sensitive issue of the trade imbalance in an hour-long meeting with Abe after the two-day ministerial meeting, a Foreign Ministry official said. Chinese trade policy planners are alarmed by a widening trade imbalance between the two countries of 2.8 billion dollars in Japan's favor in the first half of this year, compared to 1.2 billion dollars in the corresponding period of last year.

"There are no big import items such as oil and coal to correct the trade imbalance," admitted a senior Foreign Ministry official. "Japan will emphasize efforts to promote imports from China for a balanced expansion of trade between our two countries." Abe, who heads the Japanese group, will also confer with Gu on investment and technology transfers which, according to Japanese officials, are not limited to high technology. Gu and other Chinese delegates are expected to explain China's new five-year economic plan (1986-1990) during two plenary sessions and separate talks with their Japanese counterparts, Foreign Ministry officials said.

"China is attaching unusual importance to the forthcoming ministerial meeting and is prepared to discuss specific problems in detail" such as Japanese assistance in the training of Chinese personnel, a Foreign Ministry official commented. One of the Tokyo conference's main features will be the signing of a nuclear power pact which the official said will take place at the outset of the second-day plenary session of the ministerial meeting, the fourth in a series that began in 1980.

Abe and his Chinese counterpart Wu Xueqian will exchange views on relations with the United States and the Soviet Union, arms control and developments on the Korean peninsula, Indochina and the Middle East. Besides Abe, Japanese delegates will include Finance Minister Noboru Takeshita, Agriculture, Forestry, Fisheries Minister Moriyoshi Sato, International Trade and Industry Minister Keijiro Murata, Transport Minister Tokuo Yamashita, Economic Planning Agency Director General Ippei Kaneko, and Science and Technology Agency chief Reichi Takeuchi. Finance Minister Wang Bingqian, State Economic Commission Chief Lu Dong, State Science and Technology Commission Chairman Song Jian, Agriculture Minister He Kang and Communications Minister Qian Yongchang are among the members of the Chinese delegation.

#### SOVIET UNION TO RELEASE 2 FISHERMEN, DETAIN 1

OW231055 Tokyo KYODO in English 1050 GMT 23 JUL 85

[Text] Sapporo, July 23 KYODO -- The Soviet Union Tuesday told Japan it will release two Japanese fishermen, detained for alleged violation of its territorial waters, Wednesday morning, the Foreign Ministry said. To be released off Shikotan Island, east of Hokkaido, are Hideji Saga, 45, and Tetsuo Kameda, 37, whose 9.7-ton No. 5 Akane Maru was seized June 28 about 8.5 kilometers south southwest of Akiyuri Island in the Habomai Island chain.

The boat's captain, Hitomitsu Akita, whose age is unknown, will remain in Soviet captivity, ministry officials said. Shikotan, Habomai, Kunashiri and Etorofu Islands were taken by the Soviet Union after World War II.

PRELIMINARY PARLIAMENTARY TALKS HELD IN PANMUNJOM

## Contacts Begin

SK230148 Pyongyang Domestic Service in Korean 0105 GMT 23 Jul 85

[Text] The first preliminary contact for North-South parliamentary talks has begun in Panmunjom. The first preliminary contact for the North-South parliamentary talks, which our side proposed in the Fourth Session of the Seventh SPA, held last April, has begun in the conference room of the Neutral Nations Supervisory Commission in Panmunjom.

At 1000 sharp, five delegates of our side, who are deputies of the DPRK SPA, including Chon Kum-chol, head of the delegation of our side, and Chu Chang-chun, deputy head of the delegation, entered the site of the preliminary contact. Five delegates from the South side were also present at the preliminary contact.

In the preliminary contact today, working procedural matters in connection with the parliamentary talks of both sides; the composition of the delegations; the place, time and date, agenda, and methods of holding the talks; the procedure for visits of the delegations; and the guarantee for providing expediences. The preliminary contact continues.

## Talks Proposals Outlined

SK230500 Pyongyang Domestic Service in Korean 0200 GMT 23 Jul 85

[Text] The first preliminary contact to realize North-South parliamentary talks is being held at Panmunjom. The first preliminary contact to realize North-South parliamentary talk is continuing in the Conference Room of the Neutral Nations Supervisory Commission [NNSC].

Speaking at the preliminary contact, senior delegate of our side Chon Kum-chol put forth our side's views on the working-level procedures concerning parliamentary talks, including the formula of parliamentary talks between the two sides, the issue of composition of delegates, the time and place of the talks, the agenda items, the method of operating the talks, the procedure of mutual visits of the delegates, and ensurance of accommodations. Our side's senior delegate said:

As we already pointed out, the issue of promoting national harmony between the North and the South, relaxing tensions, and providing a precondition for peaceful reunification is an important question connected with the vital interest of the entire nation. This issue is a very urgent national task which should be resolved promptly in view of the demand of the nation's history to end the tragedy of national division at an early date, and because of the prevailing acute situation.

The ordeal our people are suffering today is even faced with the danger of becoming a graver disaster because of the dark clouds of war which are growing denser with each passing day. We must prevent such a catastrophe at any cost and open a new path leading our nation, which suffers the tragedy of division and the danger of war, to peace and reunification. In order to open a new aspect for realizing solid peace in and peaceful reunification of the nation in accordance with the basic interest of our nation and the people's ardent desire, we should first promote national harmony and trust between the North and the South and should relax tensions.



We should no longer tolerate the unfortunate situation in which the fellow countrymen are confronting each other with hostility at a time when the vital interest of the entire nation is being decided. We should bring about a new start for national harmony, trust, and unity.

We recognize that those who should become the forerunners and play the main role in resolving the earnest questions relating to whether the nation prospers or collapses are the politicians of the North and the South who directly participate in the nation's political affairs.

When all the politicians of the North and the South unite their strength for the nation's common cause, a new opportunity for national harmony, trust, and unity will undoubtedly be brought about and a new road of revival leading to solid peace and peaceful reunification will be opened.

Proceeding from such a position and belief, the fourth session of the Seventh SPA of the DPRK proposed to the South side's Assembly, on 9 April, that North-South parliamentary talks be held and a joint declaration of nonaggression announced as practical measures for promoting national harmony and trust between the North and the South and for relaxing the tensions of the nation.

Our proposal clearly pointed out the practical methods which will enable us to resolve the issue of relaxing tensions, which is an acute question in our country at present, and ensuring peace. The proposal also delineated the way to proceed with appropriate negotiations to correctly resolve the issues of relaxing tensions and ensuring peace.

Indeed, our proposal is a patriotic proposal which summed up the firm will of all the people to eliminate, with our own strength, the disasters of war persistently forced upon us and to live in harmony and peace. If this proposal is realized, it will have a favorable effect upon the Red Cross and economic talks that are underway, and a good atmosphere will be created for realizing high-level political talks.

He stated our side's opinion relating to the issues of working-level procedures arising in the holding of parliamentary talks as follows:

1. On the question of the form of the talks: As the South knows, when we put forth the parliamentary talks proposal, our side elucidated that the parliamentary talks can be held either in the form of a joint session of the parliaments of the two sides or in the form of talks between delegates of the parliaments of the two sides. A joint session means that the talks will be held by having your national assemblymen jointly participate in the session of our SPA and our SPA deputies jointly participate in the regular session of your National Assembly, with the same rights and duties. Talks between delegates of the parliaments means that the talks will be held by forming delegations, with a reasonable number of members, consisting of parliamentary members of all political parties.

Our stand is that either of the two forms is satisfactory for us. However, our opinion is that of the two forms of talks, the form of the joint session, if possible, would be better. It is clear that, if the talks took the form of a joint meeting between the parliaments of the two sides, many parliamentary members of all parties and factions could participate, thus making it possible to hold dialogue on an even more democratic base and comprehensively reflect the opinion of all strata in discussing matters. In addition, the joint meeting would be advantageous because it would allow our SPA deputies and your national assemblymen to have opportunities to make broad contacts with each other and, through this, would greatly contribute to promoting mutual understanding and trust and national harmony and unity between the North and the South. Hence, we think that, if talks are to be held, a joint session between the parliaments would be better, even if talks between the parliamentary delegates would be satisfactory.



2. On the question of the formation of delegations: In view of the significance and meaning of the talks and the nature of the matters to be discussed, we acknowledge that it would be reasonable to form the delegations to the parliamentary talks in such a way as to fully reflect the opinion of all strata and hold negotiations in an efficient manner. In the event a joint session were held, it would be most ideal if all members of the parliaments jointly participated. In this connection, however, we opine that it would be good to have the side that would jointly participate in the session of the opposite side select about 100 parliamentary members from all political parties and have them participate in the regular session of the parliaments of the opposite side, taking into consideration the difference in the number of members of the parliaments of the two sides, and the inconveniences that might be faced in conducting the talks. If a joint parliamentary session were to be held, members of the parliament of the side that would jointly participate in the session of the opposite side must be allowed to exercise the rights to speak and reach decisions with the same rights and duties as enjoyed by the members of the parliament of the side hosting the joint session. If this were allowed, democracy would be fully displayed, and a guarantee for implementing the agreed upon matters would be provided.

If talks between delegates of the parliaments were to be held, as we proposed in the letter sent to the South, delegations could be formed with parliamentary members of all political parties, with the speaker or vice speaker of the National Assembly and the chairman or vice chairman of the SPA as heads of the delegations. In this connection, it would be reasonable to form delegations consisting of 9 to 11 members, considering the number of political parties which are presently participating in the parliaments of the North and the South.

In addition, there is the issue of deciding on the size and number of the entourage and reporters who would accompany the delegations. In this connection, for either a joint parliamentary session or talks between delegates of the parliaments, we think that the entourage could be formed with about 20 members and the press corps with about 50 members.

3. On the question of the venue of the talks: If a joint parliamentary session between the two sides were to be held, the talks would, naturally, be held in Pyongyang and Seoul, alternately. In the event that talks between parliamentary delegates were held, we opine that the talks could be held in Pyongyang and Seoul alternately. As for the venue of the first joint parliamentary session or the first talks between the parliamentary delegates, we would hope that Pyongyang could host the talks first, and Seoul next.

4. On the agenda of the talks: We have proposed to the South the holding of parliamentary talks between the two sides to discuss the question of publishing a joint declaration of nonaggression in order to alleviate the tense situation of the country and improve the relations between the North and the South. The reason for this, as was already mentioned above, is because this issue is a pressing one related to the destiny of the nation in the present times, and a most urgent issue in promoting national harmony and trust and providing a foundation for peaceful reunification.

Therefore, we acknowledge that the matter of publishing a joint declaration of nonaggression ought to be the agenda item of utmost priority in the parliamentary talks. We have no objection to discussing the matter of providing a unified constitution, as proposed by the South side, in addition to discussing the matter of publishing the joint declaration of nonaggression, an issue that is urgently and keenly raised in the parliamentary talks.

Because our contact is a contact involving both parties, it should not respect or regard as absolute only the opinion of either of the two sides; the virtue of respecting and conceding to the other party should be demonstrated.

5. On the method of conducting the talks: Regardless of whether it be a joint parliamentary session or talks between parliamentary delegates, we are of the view that talks should be closed talks in principle, and that they can be held as open talks when necessary, subject to mutual agreement, taking into consideration the nature and content of the agenda items to be discussed, in order to conduct the talks in an efficient manner.

We think that the reporting can be done to suit the convenience of each party, and that the matters agreed upon can be written and published in the form of a document of joint agreement in accordance with previous practice in dialogue.

We think that the recording of the talks should be done to suit the convenience of each party, such as use of tape recordings, videotape recordings, and stenographic records, and that the host side should guarantee transmission lines for tape recordings and videotape recordings in the area of the other party.

6. On the matter of visiting procedures: If the parliamentary talks were to be held in Pyongyang and Seoul, the matter of guaranteeing personal security of the persons visiting the North and the South for the talks would be raised. We think that this matter should be carried out in accordance with previous practice, by which authorities concerned of both sides first publish a statement guaranteeing the personal security, and exchange written versions of such a statement beforehand. We think that the delegates should carry credentials and that the suite members and reporters should carry identity cards, to identify the persons visiting. We think that, when they pass the Military Demarcation Line [MDL], they can hand over a list of names with photographs 3 days beforehand to the other side and that they can identify each other based on such lists of names.

7. On the matter of guaranteeing expediences: We are of the opinion that all expediences, including means of transportation, lodging, and meals, to be provided when the delegation and the reporters stay in the area of the host party ought to be supplied by the host side free of charge.

8. On the matter of means of communications: We suggest that a direct telephone line ought to be connected between Pyongyang and Seoul to be used exclusively for the parliamentary talks so that both sides may have communications relations for the talks between the parliaments of both sides.

9. On the matter of the date of the first parliamentary talks, and the frequency of talks: We think that the sooner the parliamentary talks are convened, the better, to meet the expectations and aspirations of the people at home and abroad. From this position, we propose that the first session be held within 1 month of the ending of this preliminary contact, in the event parliamentary delegates' talks are held, and that the first session be held within 2 months of the ending of the preliminary contact in the event a joint session is held.

We are of the view that the frequency of the talks can be decided on by agreement between both sides, if parliamentary delegates' talks are held, and that, in the event a joint session is held, a total of approximately four sessions ought to be held annually -- two sessions by each of the two sides -- with each session lasting about 1 week.

Thus, the first preliminary contact for the North-South parliamentary talks is in progress in Panmunjom.

## Conclusion of Talks

SK230536 Pyongyang Domestic Service in Korean 0400 GMT 23 Jul 85

[Excerpts] The first preliminary contact to provide North-South parliamentary talks has ended. The first preliminary contact held at 1000 in the Conference Room of the Neutral Nations Supervisory Committee between the two sides to provide North-South parliamentary talks has ended.

The South side made remarks at the contact. Despite our side's just and persuasive assertions, the South side persistently opposed discussing the issue of announcing a joint declaration of nonaggression at North-South parliamentary talks and insisted on leaving the issue to the authorities. The South side also opposed the issue of holding the North-South parliamentary talks in the form of joint conference.

Thus, the first preliminary contact has ended after reaching an agreement only on the main issue of talks relating to calling North-South parliamentary talks the talks of parliamentary delegates, the issue of holding the talks alternately in Pyongyang and Seoul, the issue of holding North-South parliamentary talks within a month after the preliminary contact ended, and the issue of procedures of mutual visits and ensuring accommodations. The contact failed to reach an agreement on the issue of discussing the announcement of a joint declaration of nonaggression which is the most important issue.

Our side urged the South side to come to the next contact after fully reviewing our opinion on the issue of discussing the announcement of a joint declaration of non-aggression.

Our side expressed its hope that the second preliminary contact will be held in the near future, but agreed to the South side's opinion relating to holding the second preliminary contact on 25 September taking the South side's circumstances into account.

CPRF CASTIGATES SOUTH'S STANCE ON DIALOGUE

SK221130 Pyongyang Domestic Service in Korean 0100 GMT 21 Jul 85

[Text] The CPRF Secretariat has issued the following information denouncing the Chon Tu-hwan puppet clique for perpetrating the act of throwing a wet blanket over the North-South dialogue while clamoring about unification by prevailing over communism.

The CPRF Secretariat's Information No 323:

Recently the South Korean puppets have openly perpetrated unreasonable and absurd acts of throwing a wet blanket over the atmosphere of dialogue for reunification.

According to a report, on 17 July the speaker of the South Korean puppet National Assembly at a ceremony celebrating the so-called Constitution Day uttered presumptuous gibberish, clamoring that South Korea's Constitution is a unified constitution for the whole area and the population of the North and South. At the same time, babbling about legitimacy in the history of the nation and the superiority of liberal democracy, he also cried that reunification should be achieved with South Korea's idea and system as the basis.

We do not know who instigated him to make such utterances. But this is evidently new provocative jargon for undermining the dignity of our republic and an unbearable insult to our people.



We cannot but take seriously the fact that the National Assembly speaker made utterances wantonly insulting the other party to dialogue with a preliminary contact for North-South parliamentary talks just a few days away.

In particular, when thinking of such utterances in connection with the puppets' recent move of forcing the South Korean people to place a picture of Mt Paektu and the South Korean flag in their homes, we cannot but think that such utterances by the speaker of the puppet National Assembly are a grave provocative act which cannot be overlooked.

As is already known by the world, our party and the government of the republic not only have asserted that the country's reunification should be achieved independently without intervention by foreign forces and with out nation's own efforts by achieving great national unity as one nation, transcending the differences in ideologies, ideals, and systems, but we have also consistently made efforts to peacefully resolve the relations between the North and South through contact and dialogue, not through the use of armed forces.

Contrary to this, however, the South Korean puppet clique has not only persistently adhered to maneuvers for permanent division following the U.S. imperialists' policy to create two Koreas, but has also inspired antagonism and confrontation under the preposterous delusion of reunification by prevailing over communism and reunification through the annihilation of communism. Thus, it has created grave obstacles on the road to peace and reunification.

The recent utterances of the puppet National Assembly speaker precisely reveal the wild ambition of the South Korean puppets for northward invasion -- that is, the scheme to extend the accursed colonial military fascist rule to the northern half of the republic.

The fact that the South Korean puppets took issue with North-South parliamentary talks with a delusion to achieve reunification by prevailing over communism, an unfeasible daydream, makes it clear that they are seeking a vicious aim. The puppets should know that if they persist in seeking a vicious aim, they will have to pay dearly for it. The so-called unification under the ideals and system of liberal democracy that the South Korean puppets are babbling about similarly is nothing but balderdash which cannot be realized at all.

No matter how hard the puppets may clamor about superiority, the ideals and system of liberal democracy have been subjected to strong opposition and rejection by the South Korean people, youths, and students.

The South Korean authorities should discover a due lesson in destiny over the fact that the schemes of their predecessors for the permanent division of the nation and unification by prevailing over communism met with miserable doom. At the same time they should demonstrate a sincere attitude and position toward the North-South dialogue.

[Dated] 20 July 1985, Pyongyang

#### CPRF DENOUNCES SOUTH'S SCHEME TO PUNISH STUDENTS

SK211322 Pyongyang Domestic Service in Korean 2200 GMT 19 Jul 85

[Text] The CPRF Secretariat has issued Information No 322, denouncing the Chon Tu-hwan military fascist clique's arrest and imprisonment of the students involved in the struggle of occupying the American Cultural Center in Seoul and its attempt to severely punish them after dragging them into the homicidal courtroom.



Noting that the South Korean military fascist clique, which has unjustly arrested and imprisoned the students involved in the struggle of occupying the American Cultural Center in Seoul and has engaged in various forms of suppression against them, is attempting to severely punish them after dragging them to the homicidal court, the information adamantly denounces the Chon Tu-hwan ring's criminal maneuver to execute the patriotic students who rose in a struggle to oppose and reject foreign forces and fascism and to demand national independence and the democratization of society.

While noting that the patriotic students and the audience loudly shouted to the fascist hangmen in the homicidal courtroom, asking the South Korean puppets who punishes whom, who is the real culprit, what is patriotic, and what is nation-selling, the information says: As is verified by history, justice and the patriotic will are mightier than guns and bayonets. The South Korean youths and students, who were imprisoned and prosecuted for their involvement in the struggle of occupying the American Cultural in Seoul, again vividly demonstrated by the courtroom struggle on 15 July their invincible spirit and courage and burning patriotic will. The South Korean puppet clique must ponder over matters rationally before brutally suppressing the youths and students, stop the criminal homicidal court trial at once, and unconditionally and immediately release the patriotic students.

#### S. KOREA'S 'SAMMINTU' INVESTIGATION CRITICIZED

SK210955 Pyongyang Domestic Service in Korean 2150 GMT 19 Jul 85

[NODONG SINMUN 20 July commentary: "Fascist Hangmen's Reactionary Offensive"]

[Text] The puppets' Supreme Public Prosecutor's Office on 18 July announced the so-called results of the investigation into the Struggle Committee To Reunify the Nation, Win Democracy, and Liberate the Masses [Sammin Struggle Committee], the struggle organization of the South Korean youths and students. The fascist clique had made an all-out investigation for a month into the Sammin Struggle Committee, which was organized by South Korean universities, and branded it as a procommunist radical organization. In the fabricated announcement made on that day after the investigation was completed, the fascist clique said that the Sammin Struggle Committee proved to be a procommunist and enemy-benefiting organization which seeks violent revolution. In connection with this, it put a total of 56 youths and students behind bars, including imprisoning 13 persons under the notorious National Security Act. In addition, the rascals arranged a search for scores of students, including the chairman of the Korean University Struggle Committee.

The results of the investigation, which the Chon Tu-hwan fascist clique fabricated as it pleased, is an example of its very mean and vicious fascist conspiratorial maneuver to severely suppress the South Korean youths and students, who have engaged in righteous activities for independence, democracy, and reunification, and to banish core elements of youth movements by charging them with unfounded crimes. It is also another unforgivable reactionary offensive against the South Korean people, who have looked forward to the coming of a new democratic and independent era and the reunification of the fatherland.

The fascist rascals' vicious conspiracy is arousing vehement indignation among the South Korean people and broad public opinion at home and abroad.

The members of the Sammin Struggle Committee, which the Chon Tu-hwan ring is attempting to make a victim of his fascist suppression, are patriotic students who have waged a righteous struggle to reunify the nation, win democracy, and liberate the masses.

The South Korean youths and students rose in a struggle to oppose foreign forces and to demand democratization because the U.S. imperialist aggressors are playing host in South Korea and because the Chon Tu-hwan traitorous clique is stifling the society by guns and bayonets under the U.S. imperialists' manipulation. The South Korean youths and students also rose in a struggle for reunification because the puppets are attempting to perpetuate division. This is a righteous and patriotic act and does not constitute a crime at all.

The fascist clique is attempting to associate the various struggles of the South Korean youths, students, workers, peasants, and poor residents in cities with the Sammin Struggle Committee. This is preposterous. The South Korean people of various walks of life have waged a struggle for democracy and independence for some 40 years since the 15 August liberation, well before the Sammin Struggle Committee was organized. This struggle is a release of the pent-up anger of the South Korean people, who are under the colonial and fascist rule of the U.S. imperialists and their running dogs, and is a just voluntary struggle to demand a new life and politics.

The fascist clique also blamed the students for regarding the foreign forces, including the United States, as the ringleader of national division and for waging a struggle while shouting the anti-U.S. slogan "Yankee, go home!" Nobody with a national conscience can disregard the U.S. imperialists' occupation of South Korea. If the cause of national reunification is to be realized, all people must rise to demand the withdrawal of the U.S. imperialists from South Korea. The fascist clique is suppressing the South Korean youths and students, who demanded only this, by branding them as procommunist. This is an unforgivable serious crime.

The South Korean authorities babble about dialogue and reunification at every opportunity. If the reunification question is to be solved through dialogue, the North and the South must unite with each other, transcending the differences in ideologies and systems, democracy should be guaranteed in South Korean society, and the South Korean people must be allowed to freely participate in discussions on reunification.

However, the Chon Tu-hwan fascist clique is suppressing the youths and students who reject foreign forces and demand reunification by branding them as procommunist and associating them with us. We ask how in the world could they hold a dialogue with us and how in the world could they reunify the country under these circumstances?

The puppets' racket of suppression clearly shows that their babble about dialogue and reunification is heterodox and deceptive. The Chon Tu-hwan ring's criminal act of making the righteous students, who demand independence, democracy, and reunification, a victim of its suppression by guns and bayonets will never be justified. The Chon Tu-hwan ring must unconditionally and immediately release the youths, students, and people it arrested and detained unjustly. If the Chon Tu-hwan ring is attempting to execute them by any means despite the people's opposition and denunciation, it will not be able to escape the nation's stern judgment.

#### COMMENTARY SCORES SOUTH'S CIVIL DEFENSE TRAINING

SK200439 Pyongyang Domestic Service in Korean 0727 GMT 17 Jul 85

[NODONG SINMUN 17 July commentary: "Contradictory Act"]

[Text] On 15 July, a so-called civil defense training was kicked up throughout South Korea. Mobilizing innocent residents and sounding a siren, the puppets kicked up a row of the training of air defense forces, taking shelters, fire fighting, and rehabilitation.

Reeking of the powder from bombs and antiaircraft firing, the puppets kicked up a frenzied fuss of mobilizing mobile task forces on the ground and patrol boats on the sea while clamoring about someone's infiltration. South Korea literally was turned into a field of war.

The puppets' civil defense training which was carried out in an atmosphere of actual war, with the North as an imaginary enemy, was a deliberate and premeditated provocative act to throw a wet blanket on North-South dialogue and to incite anticommunist confrontation and fever of northward invasion among the people. It is an urgent demand of the time to remove tension in Korea and to guarantee peace there. The people do not want to become victims of a nuclear war, chemical war, and germ war of the U.S. imperialists and the South Korean puppets. They sincerely want to open prospects for peace and national reunification by bringing the hard-won North-South dialogue to success.

However, a serious situation running counter to this has still continued in South Korea. The new war provocation maneuvers of the U.S. imperialists and the South Korean puppets have become more unscrupulous. The U.S. war maniacs have frequently flown into South Korea to concoct criminal war intrigues. Frantic government-patronized anticommunist rackets are also being kicked up throughout South Korea. Under such a situation, the civil defense training was conducted in a wider area in South Korea this month.

What cannot be overlooked is that the puppets kicked up a noisy racket of playing with fire against us in South Korea at a time when a working-level contact between delegates to the North-South Red Cross talks to resolve humanitarian problems was going on at Panmunjom.

The puppets are loading their guns, sharpening their swords, and whipping up confrontation against their dialogue partner at a time when they should make greater efforts than ever before for the creation of an atmosphere of trust, harmony, and unity within the nation. How can such an act be regarded as an honest stance for dialogue?

The puppets' double-dealing and contradictory attitude for dialogue has aroused the strong indignation of the people at home and abroad. The puppets want neither dialogue, peace, nor reunification but seek only anticommunist confrontation and a war of northward invasion.

We are heightening vigilance against this. We cannot correctly resolve problems with confrontation and war nor can we bear fruit in the dialogue in conformity with the interests of the entire nation. The suspension and rupture of the past dialogue was due to the fact that the puppets sought confrontation and war behind the scene of the dialogue.

The puppets are repeating their old attitude toward dialogue. Should the puppets continuously seek some other aims behind the scene of dialogue and challenge the desire of the nation, they will not escape the condemnation and judgment of the nation.

#### JAPAN'S OFFER AT SASEBO TO U.S. FORCES CONDEMNED

SK160505 Pyongyang KCNA in English 0410 GMT 16 Jul 85

[Text] Pyongyang July 16 (KCNA) -- NODONG SINMUN today comments on the Japanese authorities' decision to transfer two parts of Sasebo, Nakasaki Prefecture, to the U.S. Forces stationed in Japan. This implies a new step forward in offering the Japanese territory to the U.S. imperialist aggression forces as their sortie base and operational base against Korea and other Asian socialist countries, declares its signed commentary titled "A Grave Step in Military Tieup." It says:



Sasebo is now holding an ever more important position in the Korean and Far Eastern strategy of the U.S. imperialists. They plan to turn the base into a stronghold for blocking the Korean Strait and Western and Eastern coasts of Korea and sending their landing craft and Marines to the northern part of Korea in case of "contingency." Sasebo is regarded as a centre for joint operations of the U.S. imperialists' Seventh Fleet and warships of the Japanese Naval "Self-Defence Force" and the South Korean puppet army in keeping with the manoeuvres to form a U.S.-Japan-South Korea triangular military alliance.

With this perspective operational plan the U.S. imperialists scheme to quadruple their troops at the Sasebo base. All the facts show that the U.S. imperialists and the Japanese reactionaries are in actuality stepping up the preparations for a new war against our country, though they are vociferous about peace in Korea and the Far East.

The Japanese authorities must refrain from playing the shameless and sinister role of partaking of the U.S. imperialists' Korean and Far Eastern strategy without chajusong (independence), going against the national interests of the Japanese people and the demand of peace.

#### SOVIET PAPER CITED ON TRIPARTITE ALLIANCE PLAN

SK230357 Pyongyang KCNA in English 0334 GMT 23 Jul 85

[Text] Pyongyang July 23 (KCNA) -- The Soviet paper KRASNAYA ZVEZDA in its news analyst's commentary July 20 dealt with the scheme of the U.S. imperialists to form a U.S.-Japan-South Korea tripartite military alliance.

For the establishment of its complete military control over Asia, Washington is trying to inveigle such allies as Japan and South Korea into its realization beside the Armed Forces of the United States itself in this region, the paper notes, and says:

The U.S. military agreements with those allies being of bilateral nature today, the U.S. strategists are obviously dissatisfied with the fact that the armed forces and all the potentials of the allies are not in Pentagon's clutches. U.S. Defense Secretary Weinberger demanded that the friends of the United States in this region should coordinate their efforts in the military field.

Pointing out that Tokyo and Seoul are establishing one new military link after another in support of the U.S. Administration, the paper says: The recent Tokyo trip of the U.S. Navy Operational Chief Watkins was aimed at coordinating the war preparation plans of the Japanese and South Korean fleets.

#### ANNIVERSARY OF POLISH RENAISSANCE OBSERVED

Kim Il-song Greets Leaders

SK211133 Pyongyang KCNA in English 1050 GMT 21 Jul 85

[Text] Pyongyang July 21 (KCNA) -- Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on July 21 sent a message of greetings to Comrade Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the Council of Ministers of the Polish People's Republic, and Comrade Henryk Jablonski, president of the Council of State of the Polish People's Republic the message reads.



I, on behalf of the Central Committee of the Workers' Party of Korea, the Government of the Democratic People's Republic of Korea and the Korean people and on my own behalf, extend warm felicitations to you and, through you, to the Central Committee of the Polish United Workers' Party, the Council of State and the Council of Ministers of the Polish People's Republic and the fraternal Polish people on the occasion of the 41st anniversary of the resurrection of Poland, the national day of the Polish people.

The Polish people have successfully carried out social, political and economic reforms and built a socialist state possessed of a developed industry and rural economy, with the people as its master, on the soil of Poland over the last 40 years and more after the publication of the July declaration of the Polish national liberation committee.

Today the Polish people are registering big successes in the struggle to achieve the stability of the country, develop the national economy and consolidate the socialist system under the leader of the Polish United Workers' Party, despite the vicious subversive activities of the enemies of socialism.

The Korean people express firm solidarity with you in your just cause, regarding the successes of the fraternal Polish people as the common gains of the socialist forces. I wholeheartedly wish you and the fraternal Polish people fine successes in the future struggle for implementing the program of socialist renovation adopted at the Ninth Congress of the Polish United Workers' Party.

Taking advantage of this opportunity, I express the belief that the traditional relations of friendship and cooperation between our two parties, two countries and two peoples firmly established through the common struggle for the victory of the cause of peace and socialism will continue to expand and develop in many fields in the spirit agreed upon at the meeting between us in Warsaw last year.

#### Polish Envoy Hosts Banquet

SK230419 Pyongyang KCNA in English 0408 GMT 23 Jul 85

[Text] Pyongyang July 23 (KCNA) — Polish Ambassador to Korea Leon Tomaszewski arranged a banquet at the Ongnyu Restaurant on the evening of July 22 on the occasion of the 41st anniversary of the resurrection of Poland. The ambassador in his speech noted:

The friendly and cooperative relations between Poland and Korea have developed into a new, higher stage after the Polish visit of a party and state delegation led by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, last year.

We rejoice over the successes gained by the Korean people in socialist construction under the leadership of the Workers' Party of Korea headed by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea.

The Polish United Workers' Party, government and people, he stressed, invariably support all the initiatives taken by the Democratic People's Republic of Korea for the independent and peaceful reunification of the country including the proposals for tripartite talks and for North-South parliamentary talks.

Speaking next, Vice-Premier and Foreign Minister Kim Yong-nam said:

The resurrection of Poland was an important event that recorded a new chapter in the Polish people's history. The Polish people have carried out the social, political and economic reforms laid down in the historical July declaration of the Polish National Liberation Committee and turned theirs into a socialist country with developed industry and agriculture.

In recent years, he went on, the Polish people under the leadership of the Polish United Workers' Party headed by respected Comrade Wojciech Jaruzelski have dynamically accelerated socialist development, resolutely smashing the subversive activities and sabotage of the U.S.-led imperialists and domestic reactionary forces.

He expressed the belief that the Polish people would achieve great successes in the implementation of the socialist renovation program adopted at the 9th congress of the party, the Sejm elections and preparations for the Tenth Congress of the Polish United Workers' Party.

The attendants of the banquet toasted the good health and long life of the great leader Comrade Kim Il-song, the good health and long life of the dear leader Comrade Kim Chong-il and the good health and long life of respected Comrade Wojciech Jaruzelski.

#### Sonchon Meeting Held

SK190826 Pyongyang KCNA in English 0800 GMT 19 Jul 85

[Text] Pyongyang July 19 (KCNA) -- A meeting was held on July 18 on the 41st anniversary of the resurrection of Poland in the Korea-Poland friendship city of Sunchon.

Speeches were made at the meeting by Kim Chong-ho, chief secretary of the Sunchon City Committee of the Workers' Party of Korea and chairman of the Sunchon City People's Committee, and Polish Ambassador to Korea Leon Tomaszewski.

They pointed out that with the proclamation of the resurrection of Poland to the whole world 41 years ago, socialist Poland, a genuine state of people, was established for the first time in the land of Poland which had repeatedly suffered from unending aggression and occupation by foreign forces.

They said that in the past the fraternal Polish people, under the leadership of the Polish United Workers' Party successfully carried out programmatic tasks set forth in the historic July declaration to change the looks of the country and turn Poland into a socialist state with a developed industry and agriculture.

The speakers denounced the U.S.-led imperialists for further hastening the new war preparations in Europe and the Far East.

Referring to the friendly relations between the two peoples, they said that the friendly and cooperative relations between Korea and Poland with a long tradition were rapidly developing onto a new higher stage in accordance with the spirit agreed upon at talks and conversations between the great leader Comrade Kim Il-song and respected Comrade Wojciech Jaruzelski last year. A letter to the citizens of the Poland-Korea friendship city of Otwock was adopted at the meeting.

A soldiers meeting was held on July 17 at the Mangyongdae revolutionary school on the 41st anniversary of the resurrection of Poland.

N-S PRELIMINARY PARLIAMENTARY TALKS HELD

SK230545 Seoul Domestic Service in Korean 0400 GMT 23 Jul 85

[Text] The first preliminary contact between the delegation of the ROK National Assembly and the delegation of the SPA of North Korea to discuss the question of holding the North-South parliamentary talks was held at the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 1000 this morning. Today's contact, in which the politicians of the South and the North met with each other for the first time in the history of the 40 year-long division, continued for 2 hours and 12 minutes, until 1212.

The two sides agreed to hold the next preliminary contact 25 September; to come to an agreement, by telephone, on the venue before the next contact; to hold the parliamentary talks within 1 month after the preliminary contacts are completely finished; to hold the parliamentary talks alternately in Seoul and Pyongyang; and to have the talks led by 11 persons each from the two sides.

But, on the question of agenda items -- the most important question in the parliamentary talks -- the two sides of the South and the North were at odds with each other with regard to the question of which proposal should be preferentially adopted -- our side's proposal concerning the question of forming an organization for a national consultative council for unification aimed at drafting a unified constitution and of laying a foundation for unification in this regard, or the North Korean proposal for adopting a joint declaration of nonaggression for reducing tension and improving North-South relations. The two sides agreed to negotiate the following questions by continuing preliminary contacts: the questions of whether Seoul or Pyongyang should be the first venue for the full-dress talks; of designating delegation heads; of when a direct telephone line should be installed, of detailed procedures for the operation of talks; and for press information.

## Proposals Outlined

SK230924 Seoul Domestic Service in Korean 0500 GMT 23 Jul 85

[Excerpt] In today's contact, our side proposed the formation of a tentatively named "people's consultative council for unification" comprising representatives of (?the people) of both sides, the drafting of a unified constitution by this organization, the adoption of this constitution through a free election, and the formation of a unified national assembly and government through a general election. Thus, our side displayed a comprehensive attitude toward the final achievement of the unification of the people. In reply to this, the North Korean side proposed the adoption of a practical and concrete declaration of nonaggression at talks between persons in authority following the issuance of a political proclamation which recognizes the need for the North-South declaration of nonaggression.

In reply to this, reminding his counterpart of the fact that we demanded an end to all forms of the use of arms and violence, mutual noninterference in internal affairs, an end to the arms race, and an end to the state of military confrontation, through a proposal for signing an agreement for nonaggression in 1974 and through proposals in 1982 for achieving national conciliation and democratic unification and for holding talks between persons in supreme authority of the North and South, our side's senior member Kwon Chong-tal said that it is appropriate that the persons in authority in the government who can conduct negotiations, holding real power, should discuss the issue of nonaggression in a responsible manner and that the National Assembly will review this issue and determine whether this issue will be sanctioned or approved.



In his keynote speech, senior member Kwon Chong-tal said that what we should do today is to alleviate tension between the North and South and to mutually pool strength. He then said: I believe now is the time when the North and South should abandon the attitude of hostility toward and meddling in the other side's political and social systems. Senior member Kwon Chong-tal said it is fortunate to see North-South contact resume anew and economic and Red Cross talks being held. He expressed the hope that the suspended North-South sports talks will be held quickly.

Senior member Kwon said that the responsible authorities of both sides should discuss and quickly resolve the matter of preserving peace through preventing the recurrence of war and of alleviating tension between the North and South. He then said: If your side truly wants to adopt a declaration of nonaggression to alleviate tension and to preserve peace, it is appropriate for you to urge your authorities to respond to this effort.

Senior member Kwon said that, in order to fuse us into a single entity after living with different ideologies and systems for 40 years after being separated in the North and South, we need a grand charter -- a guideline for a unified country -- and this grand charter is the adoption of unified constitution.

Referring to the convocation of parliamentary talks, senior member Kwon advanced the following 6-point proposals: First, North-South parliamentary talks should be held at the earliest possible date, and a definite date will be set in the final stage of preliminary contact; second, both sides should hold parliamentary talks in Seoul and Pyongyang alternately; third, the delegations of both sides will be composed of 11 persons, respectively, and senior members will be appointed by the speakers of the national assemblies; fourth, agenda items will be matters concerning the formation of the people's consultative council for unification to draft a unified constitution and to lay a foundation for unification; fifth, a direct telephone line should be installed for talks; and sixth, necessary procedures for holding talks should be determined through negotiations between both sides.

Prior to senior member Kwon's keynote speech, the North Korean side's senior member Chong Kum-chol advanced North Korea's 9-point proposal on working-level procedures, such as the form of parliamentary talks and the selection of representatives.

While advancing these views, the North Korean side said that, as for the form of talks, a joint meeting of the national assemblies of both sides is better than a meeting between delegations of these national assemblies; that, in case of a joint meeting, the invited side will select some 100 persons to participate in the national assembly of the opposite side; and that in case delegations meet, the delegations would be composed of 9-10 persons, respectively, with the speaker or deputy speaker of each national assembly delegation leader.

As for the venue of talks, the North Korean side proposed the convocation of talks in Seoul and Pyongyang alternately. It demanded that the first talks be held in Pyongyang.

As for the agenda items, the North Korean side, just as it had insisted on previously, demanded that the joint North-South declaration of nonaggression be handled preferentially. However, it said that it would not object to the discussion of matters concerning the adoption of a unified constitution -- a proposal advanced by our side.

After the contact concluded, our side's senior member Kwon Chong-tal held a press conference, and, referring to the issue of the declaration of nonaggression proposed by the North Korean side, said that our delegation regarded this issue as one that should be resolved basically through negotiations between the responsible government authorities of both sides.



He then said that he had reminded the North Korean side of the fact that our government urged its North Korean counterpart a long time ago to take measures to alleviate tension and to prevent the recurrence of war by holding talks between the persons in supreme authority of the North and South and to sign a provisional agreement on basic relations between the North and South -- such as matters concerning banning the use of arms, mutual noninterference in internal affairs, an end to the arms race, and end to the state of military confrontation.

Senior member Kwon Chong-tal said he had clarified his stand that if the North Korean side truly wanted to discuss the issue of nonaggression to alleviate tension and preserve peace, it would be appropriate for the North Korean authorities to respond to our proposal. Senior member Kwon Chong-tal said that prior to the contact, he had believed that there would be flexibility at the talks because they were being held between politicians. He also said that the talks had not deviated much. He then pledged to narrow views at the earliest possible date by seeking common points.

Today's preliminary contact began at 1000. Following the 30-minute keynote speech by North Korean side's senior member Chon Kum-chol, our senior member Kwon Chong-tal delivered a 15-minute keynote speech. A discussion session immediately followed. The talks continued until 1412. Although agreements were reached without difficulty on determining the form and venue of the full-dress talks and the method of holding these talks, the both sides were at loggerheads, without making the slightest concession, on dealing with agenda items. The North Korean side's senior member Chon verbosely explained the need to issue a joint declaration of nonaggression at parliamentary talks and called for adopting this declaration, saying that there would be tense confrontation when persons in authority sit together, who would fail to reach an agreement of views. Noting the unnecessary detour via Wonsan in the journey to Pyongyang, our side's senior member Kwon Chong-tal called in vain for adopting the efficient method of signing a provisional agreement between the government authorities on basic relations between the North and South, including the issue of nonaggression, and for having the national assemblies ratify and approve this agreement.

Eventually, both sides parted after having confirmed what had been agreed upon and the date of the next contact. Before leaving the meeting hall, and appearing to be bewildered after being blamed for the Rangoon incident by senior member Kwon Chong-tal in his keynote speech, North Korean senior member Chon said that there had been remarks inciting the North Korean side and that this should not happen again in the future. Senior member Kwon Chong-tal coldly retorted: Such an incident as the Rangoon incident should not recur. Reminding his counterpart of the Burmese incident in his keynote speech, senior member Kwon Chong-tal said that this disastrous internecine incident greatly shocked the world. The North Korean side unusually and silently listened to senior member Kwon's speech. Senior member Kwon said that such an incident should never recur at home and abroad and urged the opposite side to examine itself and take a convincing measure. He said that he did not want to probe into the past incident and argue about what was wrong and right. He then said that his reminding those concerned of the Burmese incident was aimed at preventing such a national suicidal act from recurring and at wisely resolving all problems through dialogue.

Foreign reporters, including Soviet TASS and Red Chinese XINHUA reporters, and staff members of embassies of communist countries in Pyongyang were present at Panmunjom and watched the progress of the talks, showing deep interest in the parliamentary talks. When our side's reporters accosted two staff members of the Soviet Embassy in Pyongyang, they handed them name cards on which the words secretaries of the USSR Embassy were written in Korean. Seeing our side's reporters, who had visited the National Assembly and who visited Panmunjom to cover the talks, and saying that they appeared to be reporters dealing with political affairs, the North Korean side's reporters who had cameras busily took their pictures before the opening of the preliminary contact.

REPORTAGE ON JAPANESE KOMEITO DELEGATION VISIT

## Arrival in Seoul

SK220643 Seoul YONHAP in English 0636 GMT 22 Jul 85

[Text] Seoul, July 22 (YONHAP) -- Yoshikatsu Takeiri, chairman of Japan's Clean Government Party (Komeito), arrived here Monday, along with four Komeito lawmakers, for a four-day visit at the invitation of Yi Chae-hyong, Korean National Assembly speaker.

While in Seoul, the delegation is scheduled to pay courtesy calls on President Chon Tu-kwan at Chongwadae, the presidential residence, and Prime Minister No Sin-yong.

The Komeito legislators are also scheduled to meet with the leaders of the three major political parties, including No Tae-u, chairman of the Democratic Justice Party, Yi Min-u, president of New Korea Democratic Party and Yi Mansup, president of the Korea National Party, to discuss recent developments relating to the Korean peninsula. They also plan to visit the truce village of Panmunjom and infiltration tunnel dug by North Korea near the truce village. They will leave for Beijing on Thursday morning.

Following their visit here, the Japanese dietmen will visit Beijing, where they are scheduled to meet with top Chinese leaders, including Deng Xiaoping.

## Received by Chon Tu-hwan

SK221012 Seoul YONHAP in English 0924 GMT 22 Jul 85

[Text] Seoul, July 22 (YONHAP) -- President Chon Tu-hwan said Monday preventing a recurrence of war on the Korean peninsula is the most urgent task since conflict in this part of the world runs the risk of escalating into a world war. "Our effort for inter-Korean dialogue is designed to ease tension and prevent war on the Korean peninsula," Chon said, adding "We would continue every possible effort to have North Koreans come to the table for dialogue." Chon made the remarks while receiving Yoshikatsu Takeiri, leader of Japan's Komeito (Clean Government) Party, who paid a courtesy call on him, leading a Komeito delegation.

He said tension on the Korean peninsula has heightened than ever before because of the increasing military buildup by a power bent on putting the Western Pacific in its sphere of influence and North Korea's forward deployment of its combat forces along the truce line bordering the South.

Regarding the relation between Seoul and Tokyo, Chon said he thinks genuine understanding and amicable ties between the neighboring countries have deepened since his visit to Japan last year and voiced hope Takeiri's current trip here could provide a momentum for a further bilateral development.

## KYODO on Meeting With Chon

OW221231 Tokyo KYODO in English 1213 GMT 22 Jul 85

[Text] Seoul, July 22 KYODO -- South Korean President Chon Tu-hwan showed his critical stance toward North Korea when he met Yoshikatsu Takeiri, the chairman of the Japanese opposition party Komeito, here Monday.

Takeiri met Chon to talk mainly about the situation on the Korean peninsula after arriving here for a four-day visit before proceeding to China. In the 70-minute meeting at the presidential mansion, Chon said North Korea still wants to make South Korea communist by force, and its inclination to do so is growing, Komeito officials reported. Chon said his country will tenaciously continue dialogue with North Korea, the officials said. Chon said he wants to resolve the question of North Korea's participation in the Asian Games, to be held in Seoul next year, through South-North Korean talks.

Chon also asked Takeiri for his party's cooperation in revising Japan's controversial requirement under its alien registration law for foreign residents to be fingerprinted. Chon said Korean residents in Japan are foreigners by law but not immigrants and that Japan's treatment of them should pay due consideration to the historical background. Takeiri promised his party's continued efforts for revising the fingerprinting system for alien registration. The issue is expected to be a main topic at a Japan-South Korea regular ministerial meeting slated for late August.

Regarding his critical views on North Korea, Chon pointed out that North Korea's parliament has not appointed a Politburo member to deal with the proposed South-North parliamentary talks. He also referred to North Korea's recent military buildup, aided by the Soviet Union, the officials said. Chon also cited the North Korean terrorist bombing killing South Korean cabinet ministers in Rangoon in October, 1983.

Takeiri proposed a South-North Korean nonaggression declaration guaranteed by a third country to assist in South-North Korean talks, but Chon ruled out the idea. On North Korea's recent positive moves for talks with South Korea, Chon said the moves are aimed at improving its international image and softening the South's anti-communist spirit. Takeiri previously met Chon in August 1981.

#### Meeting With Yi Chae-hyong

SK230213 Seoul YONHAP in English 0159 GMT 23 Jul 85

[Text] Seoul, July 23 (OANA-YONHAP) -- Yoshikatsu Takeiri, chairman of the Japanese opposition Komeito party, said Monday he would explain the overall situation on the Korean peninsula to Chinese political leaders later this month, when he visits China. The leader of Japan's second opposition party made the remarks in a meeting with Yi Chae-hyong, South Korean National Assembly speaker, here on Monday afternoon.

During the hour-long meeting, Yi expressed concern about the growing impact of Soviet military aid to North Korea on the political development of Korea. Yi also explained the ongoing inter-Korean talks, including the South-North Red Cross and economic meetings, to Takeiri and four other Komeito lawmakers. The working-level Red Cross talks, held last week in Panmunjom, did not make great headway, because Pyongyang did not show a positive attitude toward the proposed exchange visits of separated family members and performing art troupes between the two Koreas, Yi said. The Korean assembly speaker said that South Korea would continue to strive for success in the inter-Korean talks, in an effort to ease tensions on the peninsula.

In reply, Takeiri said he was sorry that the inter-Korean talks have apparently not contributed to the preservation of peace on the peninsula.

Following the meeting, Takeiri and his four-member entourage attended a dinner party, hosted by Yi at the speaker's home here. Earlier Monday, Takeiri paid a courtesy call on South Korean President Chon Tu-hwan.



The Japanese political leader is now on a four-day visit here at the invitation of the Korean National Assembly speaker. Takeiri is scheduled to visit China shortly after leaving here.

KIM CHIN-HO DISCUSSES JAPANESE TRADE BARRIERS

SK210010 Seoul THE KOREA HERALD in English 21 Jul 85 pp 1, 2

[By staff reporter Pak Hang-hwan]

[Text] Minister of Trade and Industry Kim Chin-ho said yesterday that Japan should take "practical measures" to ease its nontariff barriers including import quotas and fastidious bureaucratic procedures on imports in the seventh round of its market-opening program, slated for late this month. "The so-called nontariff barriers are the root cause of Korea's huge trade deficits with Japan," Kim noted.

In an exclusive interview with THE KOREA HERALD, the minister said the Japanese market-opening measures to date have contained no "shopping list" for the commodities of developing countries including Korea, adding: "They are largely aimed at advanced countries." "Given this reality," he stressed, "genuine progress should be made to open the Japanese market to foreign countries, particularly to developing countries in the forthcoming package."

He went on to say that Korea, on the losing end of a more than \$30 billion cumulative trade deficit with Japan since 1965, should be allowed measures that would open protected Japanese market to Korean products. Touching on the Japanese government's June 25 announcement to cut by a unified rate of 20 percent tariffs on 1,800-plus foreign imports including 24 Korean items effective next April, Kim said, "We want to have the tariff reduction program implemented ahead of the original schedule."

Japan's tariff rate now averages 3 percent for foreign imports. The rate for Korean-made imports, more than 50 percent of which come under some kind of restriction, however, ranges from 7 percent to a maximum of 20 percent, he said. Korea, a developing country, should be granted generalized system of preference (GSP) tariffs, a system of low or zero tariffs developed countries have conceded to developing countries since 1970, he also argued.

Asked about a proposed U.S. cut of textile imports, the nation's top trade policymaker said that the government is working on multilateral measures to head off the U.S. congressional move to impose sweeping curbs on textile imports to the United States -- chiefly from Korea, Taiwan and Hong Kong. The proposed plan aims to include some additional textile products as quota items. It will also limit increase in imports from major textile exporters to less than 1 percent a year for all products, subject to quotas.

If the plan is put into effect, Minister Kim said, Korea's textile exports to the U.S. market would be cut by at least 32.4 percent a year in terms of volume. He said that the U.S. move is apparent protectionism counter to the freetrade spirit of the General Agreement on Tariffs and Trade (GATT).

"Some 80 representatives from 20 textile exporting countries, GATT, and the U.N. Conference on Trade and Development (UNCTAD) will get together in Seoul Sept. 3-7 to discuss a common stance against the advanced countries' regulatory measures to textile imports," he said. At the five-day event, Minister Kim said, the government will make clear its opposition to any further extension of the multifiber arrangement (MFA) in search of free trade textile goods.

The textile accord is a multilateral agreement concluded in 1974 between 18 advanced countries and 35 developing countries, which is largely designed to limit the latter group's textile exports to the former group under "quota regulations."

Major advanced countries including the United States and European Community (EC) members are moving to renew the accord for another four years, Kim said. The move is nothing but another form of protectionism, he added. On the U.S. move to impose "global quota" on foreign nonrubber footwear imports, he categorically said that it is irrational for the U.S. Government to apply import limitations indiscriminately to footwear exporting countries. "Korean shoes exports have caused no injury to U.S. footwear manufacturers. Most Korean-made nonrubber footwear exports to the U.S. market are athletic shoes, whose U.S. production is at a very low level."

If the International Trade Commission (ITC) proposal is approved by the White House, it could wind up costing U.S. consumers several billion dollars a year, while saving only a few thousand jobs for workers in the U.S. shoe manufacturing plants, Kim said. Korea and Taiwan have joined forces to resist a proposed U.S. global quota system on nonrubber footwear, he said.

Kum also said, "We are increasingly concerned that market access may be restricted through procedural protectionism. The best example of this is widespread use of antidumping petitions as a kind of trade harassment tactics." Even when such petitions are eventually disallowed, the effect on an ongoing business relationship can suffer, he said. "Korean commodities have been major targets of such antidumping charges abroad nowadays," he complained.

Minister Kum also said that the government keeps close watch on a possible EC move to raise tariff rates on imported videotape recorders (VTRs) to 14 percent from 8 percent. The move, believed aimed at Korean-made VTRs, is an apparent violation of the spirit of GATT. Not a single Korean VTR has landed on the European market, he pointed out. "It is tantamount to asking Korea to pay penalties for an uncommitted crime," he said.

The government will augment the task force dealing exclusively with private trade negotiation and firm up diplomatic steps to deter foreign protectionism in advance, Kim said. "However, what is more important for Korean exporters to keep in mind is the need to develop technically sophisticated products, well suited to foreign consumers, which I think will eventually serve to promote the exports of Korean-made goods," he concluded.

#### KOREA HERALD PROTESTS U.S. PROTECTIONIST MOVE

SK230133 Seoul THE KOREA HERALD in English 23 Jul 85 p 4

[Editorial: "U.S. Import Surcharge Bill"]

[Text] We are wholly disappointed and embittered by the irrational protectionist move of some U.S. congressmen to have a stunning 25 percent surcharge imposed on imports from four of America's trade partners -- Korea, Japan, Taiwan and Brazil.

It is beyond comprehension by sound logic why Americans, who have championed the principles of free trade and pillared the international fair trade order under the General Agreement on Tariffs and Trade, are promoting such blatantly protectionist legislation. Should the bill submitted by three U.S. Democrats to both houses of Congress be passed and made into a law, it would be tantamount to declaring a trade war on four of America's close allies.

In recent years the United States has already taken numerous import restriction measures, including quotas, antidumping duties and countervailing tariffs imposed on individual items, that are targeted chiefly at imports from Asia. Hordes of import restriction bills are also reported pending before Congress, one of which is the Jenkins Bill aimed at stripping Asian nations of billions of dollars in annual textile export earnings. The latest addition, called the "Trade Emergency and Export Promotion Act," is the worst protectionist legislation. We fear that it will touch off an intensive global trade war, leading to reduced world trade and prolongation of the worldwide business slump.

By setting standards that would affect Korea and three other countries only, the proposed legislation goes directly counter to the principle of nondiscrimination -- the basic spirit of GATT. It also grossly violates a GATT provision prohibiting import surcharges as a means of resolving trade deficits or protecting the domestic industries of any nation.

We know that the United States is suffering from huge trade deficits. But we are afraid that such a naked protectionist move would bring more adverse effects than benefits. Americans had better seek a solution to their trade problem by resolving their internal causes, such as the undesirably strong dollar and the weakened competitiveness of U.S. exports.

We feel somewhat relieved to hear that the bill has little chance of passing Congress and that even if it is passed, President Ronald Reagan would veto it. We hope that the sponsors of the bill will realize their folly and withdraw it.

#### DJP SEEKING MEANS TO RENEW 'ANTICOMMUNIST SPIRIT'

SK210528 Seoul Domestic Service in Korean 0300 GMT 20 Jul 85

[Text] Worried over the fact that the anticommunist spirit of students and some people, including off-stage personages, is weakening, the DJP is working out ways to renew their anticommunist spirit in a many-sided manner. The DJP has decided not only to urge the government to take steps to enhance the people's anticommunist spirit, but also to work out ways for this by the party itself.

In this connection, stressing that the atmosphere of seemingly supporting the recent student activities by distorting the authorities' interim report on the investigation into the Sammin Struggle Committee should be eliminated, Kyon Hong-chu, director of the DJP Policy Coordination Office, denounced the New Korea Democratic Party [NKDP] for its attitude of patronizing the students involved in the Sammin Struggle Committee case and calling them patriotic students. He said: This leads us to think that the NKDP shares ideological roots with the Sammin Struggle Committee.

Director Hyon Hong-chu said that North Korea's recent trend of actively responding to the North-South dialogue is a result proceeding from its analysis and judgment that the strength of North Korea as a base of the revolution and the revolutionary forces in South Korea have fully matured and that the international forces for supporting the so-called Korean revolution have fully grown. In particular, director Hyon said that North Korea is now hellbent to split the national consensus of South Korea, believing that favorable circumstances for the revolution in South Korea have fully matured.

Director Hyon continued: North Korea is trying to establish its image as a peace-lover through various North-South dialogues and by coming up with the problem of its participation in the Seoul Olympics.



However, since North Korea's final aim is to encourage the so-called revolutionary forces in South Korea and to split public opinion in South Korea, the present North-South relations are still in a dangerous state.

#### TWO KIMS, NKDP LEADER DISCUSS POLITICAL SITUATION

SK230049 Seoul THE KOREA TIMES in English 23 Jul 85 p 1

[Text] Kim Tae-chung, Kim Yong-sam and New Korea Democratic Party [NKDP] president Yi Min-u asserted yesterday that the current difficult political and social problems can be settled only through the development of democratic politics. The three leaders said in a joint announcement after a luncheon meeting that they seriously worried about the future of the political situation amidst a series of "extremely strong-armed actions" of the government on student and labor problems. They were referring to the arrest of the members of "Sammintu," a radical student association, and the "sudden" replacements of the justice minister and the Seoul National University president.

The three-point lengthy statement said, "We point out that such a series of government measures cannot be a solution to the current situation. Rather, the government is driving it to a catastrophe. They said, "We believe that only the development of democracy can resolve the current situation on the basis of national harmony and consensus. It is doubtful whether the ruling party, which boycotts the on-going house session, has the sincerity and ability to tide over the difficulties," the statement went on.

They called upon the government party to "attend without further delay the National Assembly for debates of the difficult situation the nation is faced with." The current house session called by the opposition NDP [New Korea Democratic Party] last July 15 has adjourned day after day because of the ruling Democratic Justice Party's boycott.

Regards to the forthcoming national convention of the NDP scheduled for Aug. 1-2, the two Kims appealing to convention delegates called for support for the incumbent party head Yi in his reelection. The two Kims, who lead the two most powerful factions in the NDP, repeated their "all-out efforts for the glorious reelection of party president Yi," who belongs to the Kim Yong-sam faction. The three participants asserted in the announcement that the "solidarity of the opposition force" was imperative in view of the "unprecedented seriousness" of the current situation.

#### MINISTER URGES SEVERE ACTION ON RADICAL STUDENTS

SK230121 Seoul THE KOREA HERALD in English 23 Jul 85 p 8

[Text] The Ministry of Education will consider cancelling the appointment of college deans and university presidents if their schools do not take "severe" action against students involved in radical activities. Private colleges and universities will be no exception, warned Minister of Education Son Chae-sok while commenting on the replacement of the president of the state-run Seoul National University.

The minister is empowered to cancel the appointment of the heads of private schools under Clause 2, Article 54, of the Private School Law. He implied that the appointment will also be cancelled for deans or presidents in case campus disturbances at their schools go out of control in the new semester.

Meanwhile, colleges and universities whose students were involved in the seizure of the USIS library and in the student activist group Sammin Struggle Committee are apparently now taking pains to impose stiff academic sanctions against the students.

This was particularly noticeable after Yi Hyon-chae, president of Seoul National University, was suddenly replaced because of the "unsatisfactory" punitive actions the university had taken against seven of its students.

The 19 colleges and universities involved are likely to finalize punitive actions against their students by taking into consideration the "tough" measures that new SNU president Pak Pong-sik is expected to take. Many university officials expressed great surprise at the sudden reshuffle yesterday, saying that heavier penalties are inevitable.

At Seoul National University school authorities said that the initial decision against the seven students is subject to change, indicating stronger action may be in store for them. However, they said, any reversal of the original decision to suspend the seven students indefinitely will be made in consideration of the overall campus atmosphere.

Yi Chun-pom, president of Korea University, presided over a meeting of college deans in the morning and also had talks with six senior professors later to exchange views on possibly penalizing students arrested for radical activities. No definite decision was made, however, a school official said. He said sufficient discussions will be made before making a conclusion.

At Yonsei University, a meeting of faculty members held yesterday failed to reach any conclusion on the details of sanctions against 13 of its students involved in the two incidents. Noting that the replacement of the SNU president made it difficult for colleges and universities to follow their own line of action in imposing sanctions against their students, a university official said that the new SNU measures will be a "barometer" deciding on the types of punishments deemed appropriate.

Sogang University officials said that the university plans to decide academic sanctions against its four students based on the new SNU actions. Songgyungwan University authorities said that considerable dispute is expected as it attempts to fix upon kinds of punishment. An Ewha Women's University official said the school plans to take punitive action against students following a court ruling.

#### MINISTER WARNS AGAINST ACTIVITIES BENEFITING NORTH

SK211354 Seoul HANGUK ILBO in Korean 21 Jul 85 p 2

[Excerpts of speech by Minister of Culture and Information Yi Won-hong at a meeting of the Federation of Artistic and Cultural Organizations held in the Tokyo Hotel in Kyongju on 20 July]

[Text] Some people have criticized the government by saying that it has done everything wrong, that it runs counter to the road of national renovation, and that it has committed only antinational, antidemocratic, and antimasses acts since the founding of the ROK Government. I am pleased that most people in the cultural and artistic fields do not support this notion.

However, by indentifying themselves with the thin-clothed and hungry masses, as the so-called fighters describe, a small number of artists are spiritually, culturally, and artistically supporting antigovernment and dissident movements.

I have heard that some people engaged in artistic works, though a minority, holding a negative view of the social reality of our country, tend to regard some marginal and incidental developments as if they were representative of our country's reality on the whole and depict them in art forms in a distorted way.

Engaging in cultural and artistic activities which benefit the North Korean communists and weaken and destroy the Korean Government and the free democratic system by abusing the freedom of art and creativity, which the Korean Government has given and guaranteed, though not outrightly supporting the North Korean communists, who totally control cultural and artistic activities, is not an attitude which sensible artists should possess. Those engaged in the cultural and artistic fields must spread the nation's prestige throughout the world by creating cultural and artistic works which may help promote national unity and heighten the will to develop the country.

My speech about the basic direction of artistic creation is not intended to give instruction on the course of artistic activities. I simply want artists to regard my views as those of a responsible person in the government.

I want those engaged in the cultural and artistic fields to spread the spirit of the times and the values of our country among the general masses and the young people. If they enjoy temporary popularity by fanning the uneasy mentality of the people and take advantage of commercialism by going with low-level tasters, our country's spiritual culture and the advancement of our fatherland will not be guaranteed.

#### AGREEMENT ON DOUBLE TAXATION SIGNED WITH INDIA

SK200257 Seoul YONHAP in English 0142 GMT 20 Jul 85

[Text] New Delhi, July 20 (OANA-YONHAP) -- South Korea and India Friday signed an agreement for the avoidance of double taxation and the prevention of income tax evasion.

Yi Won-Kyong, South Korea's foreign minister, and Vishwanath Pratap Singh, India's finance minister, signed the agreement. Yi is in India on a four-day official visit.

The agreement covers income, corporate and resident taxes, and defense surtaxes levied by the Korean Government, and it applies to income taxes and surtaxes levied by the Indian Government. The taxes pertain to income earned from real estate, business, maritime and aviation transportation, capital gains and human services.

#### ROK-NIGERIAN JOINT COMMISSION MEETS IN SEOUL

SK231010 SEOUL YONHAP in English 0853 GMT 23 Jul 85

[Text] Seoul, July 23 (YONHAP) -- The South Korean-Nigerian joint commission met for the first time here on Tuesday.

Participating in the five-day meeting were 14 Korean delegates, headed by Han U-sok, assistant foreign minister; and 10 Nigerian delegates, led by Abubakar Alhaji, permanent secretary of the Federal Ministry of National Planning.

The joint commission discussed ways to promote bilateral cooperation in all areas, including trade, economics and technological development, as well as ways to strengthen the friendly relations between Seoul and Nigeria.



CHEA SIM SPEAKS AT NATIONAL ASSEMBLY CLOSING

BK221311 Phonm Penh Domestic Service in Cambodian 1300 GMT 21 Jul 85

[Speech by Chea Sim, member of the KPRP Central Committee Political Bureau, chairman of the National Assembly and of the KUFNCD National Council, and member of National Assembly from Prey Veng constituency, at closing ceremony of the National Assembly's ninth session held in Phnom Penh on 21 July -- recorded]

[Text] During the past more than 4 days, the PRK National Assembly worked actively and enthusiastically. Today, our First National Assembly's Ninth Session ended with splendid success. During this session, our National Assembly listened to, discussed, and decided upon many important issues which are of great significance to the cause of defending and building our fatherland gradually toward socialism.

The National Assembly would like to express its elation over the great victories and feats scored by our people, particularly in the rainy season rice production. [applause]

The National Assembly hails the patriotic spirit of the peasants and workers throughout the country who worked day and night in close cooperation with the Armed Forces to successfully build a national defense line, thus contributing to the big victories we achieved. As a matter of fact, within only a short period, tens of thousands of our workers throughout the country joyfully and willingly volunteered to go to the border to fulfill their tasks in the front line of the fatherland. This is a beautiful and appropriate model of people's warfare and a historic event in the valiant struggle waged by our Cambodian people. It is also a display of our hatred for the genocidal Pol Pot clique and the Cambodian reactionaries of all stripes. It also attests clearly that our national defense line will completely seal off the Cambodian-Thai border and check all the infiltrations into our interior by the enemies.

The National Assembly hails the KFRAF and Vietnamese volunteers for their victories won in the 1984-85 dry season, smashing the positions of the Cambodian reactionaries of all stripes along the Cambodian-Thai border and turning these positions into a firm defense line for stopping enemy infiltration. This military victory constitutes a heavy blow to the enemies, thus weakening them even more seriously and plunging them into a most desperate state beyond recovery. In 4 months, that is from 18 November 1984 to 5 March 1985, we and our friends attacked and took full control of the enemies' 16 major bases, including 8 bases of Pol Pot, 7 bases of Son Sann, and 1 base of Sihanouk.

The victories won by our Armed Forces and people in the 1984-85 dry season are the biggest and most outstanding victories. Our victories, as well as the enemies' defeats, are of strategic significance because they have frustrated the enemies' perfidious maneuvers aimed at sabotaging and toppling our Cambodian revolution. We attacked and took full control of all the important enemy bases along the Cambodian-Thai border built with much difficulty by the enemies during the past 6 years.

Our entire Army and people are overjoyed at these victories. Thanks to these victories, the Cambodian-Vietnam militant solidarity has been further consolidated and the PRK's prestige and influence in the international arena has been enhanced. Thanks to these victories, while our Cambodian revolution is advancing on the road to total victory, the enemies are facing a state of total defeat.

At present, due to the heavy blow we dealt them at the border, the enemies are becoming more desperate and losing their mastery. However, they have not abandoned their maneuvers to sabotage our Cambodian revolution. They have continued to send their forces into the interior of our country to sabotage our tasks of building a national defense line along the Cambodian-Thai border, and creating conditions for war to be fed locally. Therefore, to expand our great victories won during the 1984-85 dry season and advance toward achieving more great victories, all of us, the entire Army and people, must strive to complete construction of the border defense line. We must persuade all people to fight the enemies, persuade the misled persons to return to the fold, and build firm commune and village administration, thus advancing toward gaining total mastery both at the border and in the interior of the country. [applause]

These victories were made possible thanks to the correct line of the KPRP. Our party's clear-sighted leadership has made the people from all walks of life rally under the banner of national independence and socialism and encouraged many misled persons to return to our revolution. Despite the fact that the party's clemency policy toward misled persons has been in effect for only a short time, thousands of misled persons have deserted the enemy ranks and returned to our revolution. Among those returnees were battalion-rank cadres of Pol Pot. These misled persons turned themselves in to our revolutionary authorities collectively in a whole battalion. They also brought many weapons of all types. This event clearly reflects the collapse of the enemies.

We must admire those cadres in charge of the proselytizing work. We must praise the uncles, aunts, parents, and sisters who, fearing no difficulty or danger, have persuaded their relatives in the enemy ranks to return to the fold. The National Assembly would like to hail the Vietnamese Army volunteers who, with the spirit of proletarian internationalism, achieved great victories in fulfilling their noble duties in Cambodia.

Members of the presidium, beloved National Assembly members: By pursuing a foreign policy of peace, friendship, and cooperation permeated with goodwill, the PRK has firmly strengthened and defended the bond of special militant solidarity and friendship of the three countries -- Cambodia, Vietnam, and Laos -- and actively participated in the common struggle to turn Southeast Asia into a zone of peace, friendship, cooperation, and good-neighborliness. The party, National Assembly, government, and people of Cambodia express their full support for the Vietnamese people's struggle against the Beijing hegemonist-expansionists' aggressive acts along the Vietnamese-Chinese border and the Lao people's struggle against the reactionary ultrarightists in the Thai ruling circles in their aggression against the three Lao hamlets.

The National Assembly would also like to express its support for the struggle waged by the Asian, African, and Latin American people for national independence and freedom, for the valiant struggle waged by the Nicaraguan people against the economic sanctions and all kinds of other activities launched against Nicaragua by the U.S. imperialists and their lackeys, and for India's peaceful foreign policy and its efforts for peace and security in Asia as well as its activities in the Nonaligned Movement.

The PRK National Assembly would like to express its support for the Soviet Union's peace initiatives and voice its full agreement with the CPSU Central Committee's stand that each nation must struggle vigorously to check the arms race and weapon deployment in its territory and to demand the total abolition of all nuclear arms. Historic lessons show us that we must oppose war before it breaks out.

We must mobilize patriotic forces to oppose the imperialists' militarist policy. The U.S. imperialists are insanely launching an arms race both on Earth and in space in an attempt to seize military supremacy over the Soviet Union and the socialist countries, thus causing gradual tension in the world.

The PRK National Assembly voices its full support for the decision of the summit conference of the Warsaw Pact member-countries to extend the treaty for another 20 years. The Cambodian people who cherish peace, friendship, and cooperation among countries in the world regard the USSR-U.S. talks held in the past and to be resumed this September as a positive factor for the first step along the road toward disarmament and total abolition of nuclear arms -- in accordance with the Soviet Union's peace proposals.

Members of the presidium, beloved National Assembly members: All the brilliant victories scored by our people at the end of 1984 and beginning of 1985 are of great significance and have created favorable conditions for us to expand our victories at the end of 1985 and the following years, thus enabling us to advance toward achieving total victory. These victories reflect the steady growth of our KPRAF in terms of quantity and quality. Moreover, these victories are the outcome of the consolidation of the special militant solidarity between Cambodia and Vietnam and the close cooperation between the Cambodian Armed Forces and people in their fight against the counter-revolutionaries. These victories have caused great panic among the enemies who are collapsing piece by piece and suffering from more serious internal rifts. The enemies' ringleaders have become greatly demoralized and panic-stricken. These victories have encouraged thousands of misled persons, who have become better aware of the essence of the revolution, to desert the enemies and return to the fold.

The PRK's prestige in the international arena has been strengthened and enhanced greatly. However, we still have to face more difficulties caused by the Beijing hegemonist-expansionists in close collusion with the U.S. imperialists and other international reactionary forces in their hostile activities against our revolution in order to prolong the breath of the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique and other Cambodian reactionaries and enable them to return and resume their crimes against Cambodian people. The enemies' maneuvers, no matter how perfidious they may be, will certainly fail. The Cambodian people's correct revolutionary cause will definitely achieve complete victory. [applause]

Along with the victories won by our people in the past, as the victors over the enemy and having the upper hand, the Cambodian people throughout the country will strive to fulfill and overfulfill their tasks during the second half of 1985 and will expand their successes in all fields in the years to come to contribute to bringing rapid progress to our country.

Once you have returned to your localities following the end of this session, I ask all National Assembly members to report to the people about the important outcome busily worked out by our National Assembly during this session. You must encourage the people and physically and morally join with the people in production, in efforts to fulfill tasks, and in study to achieve successes in the drive to build our country as an independent, peaceful, free, and happy state advancing step by step toward socialism.

With confidence and joy, I declare the Ninth Session of the First National Assembly closed. [applause]



HUN SEN INTERVIEW ON THAI TIES, SRV INFLUENCE

BK200940 Bangkok WONGCHON KAN THUT in Thai Jun-Jul 85 pp 19-25

["Special report" on "Conversation Between PRK Prime Minister Hun Sen and Representatives of KAN THUT Magazine" at the Foreign Ministry in Phnom Penh on 10 April]

[Text] Prime Minister Hun Sen welcomed representatives of Thailand's KAN THUT magazine in a cordial manner. He said that the Thai and Cambodian people have similarities in faith, traditions, culture, and languages. These are common characteristics of Thailand, Cambodia, and Laos. He smilingly invited us to join the Cambodian people in the celebration of the Cambodian traditional new year on 13 April or the Songkran day of the Thai people. He said that the observance of the event included offering food to Buddhist monks, playing traditional games, and pouring lustral water over Buddha images. The magazine's representatives thanked him for the invitation. He then pointed out that even the word "thank you" is similar in Thai and Cambodian. He stressed that if relations between Thailand and Cambodia are good, the two countries can be very close neighbors due to their cultural similarities and geographic proximity, adding that air communication between Bangkok and Phnom Penh and between Bangkok and Angkor Wat-Angkor Thom, and sea communication between Bangkok and Ko Kong or Kompong Som could be very convenient since they are so close. Besides, the railroad from Thailand runs to Phnom Penh.

The magazine representatives added that Phnom Penh is closer to Bangkok than the capitals of the other neighboring countries such as Rangoon, Vientiane, Hanoi, and Kuala Lumpur. The road distance between Bangkok and Phnom Penh is even shorter than that between Bangkok and Nakhon Phnom Province.

Prime Minister Hun Sen thanked the magazine's representatives for coming to visit his country and said he hoped that he would have the opportunity to welcome more delegations from the Thai people in the future and that conflicts between the two countries would eventually be settled. He also hoped that the brotherly relations between the Thai and Cambodian people whose countries are adjacent, whose religion and culture are similar and who share a long common history would be revived soon for the benefit of the two countries.

Deputy Foreign Minister Dith Mounthy was also present during the conversation. The magazine's representatives then asked the PRK prime minister the following questions:

[Unidentified reporter] How do you evaluate the offensive launched early this year by the combined forces of Cambodian soldiers and Vietnamese volunteer troops against the resistance groups along the Thai-Cambodian border?

[Hun Sen] The assistance from China, the United States, the Thailand allows the reactionaries of the Sihanouk, Son Sann, and Pol Pot groups to survive and remain militarily active along the Thai-Cambodian border. In particular, Thailand has been serving as a springboard for the reactionaries to carry on their military activities inside Cambodia. Since 1984 we have changed our strategy so that our military operations to destroy the resistance, strongholds can be carried out continuously in both the dry and rainy seasons. From the end of 1984 to early 1985, we destroyed 16 big camps of the resistance forces -- 8 of Pol Pot, 7 of Son Sann, and 1 of Sihanouk. Some 12,000 soldiers of the Pol Pot clique were defeated while over 1,000 heavy weapons and 12,000 items of food supply and belongings of the other side were confiscated.

We have strong evidence to prove that the Pol Pot clique was supported by Thai aircraft.

The operation against the three Khmer factions early this year brought a great victory to the Cambodian people. A large number of Pol Pot soldiers fled to Thailand while many others refused to fight and returned to their families in their fatherland, Cambodia. High-level circles in the Thai military know well about the fall of the 16 camps but they do not want to admit it.

Following the destruction of the 16 camps, we were contacted by General In Tam through a reliable channel in February. He wanted to withdraw from the Sihanouk faction and join us to reconstruct our nation provided that his safety and dignity were assured because he feels that Sihanouk does no longer has anything.

Sihanouk is not aware of Pol Pot's wickedness so he allows himself to be used as a tool to prolong the life of the Pol Pot clique in the tripartite coalition government. He is also prepared to yield to the Thai demand for the return of the Preah Vihear temple and the three provinces from Cambodia.

We will be pleased if our fraternal Cambodian people can reconcile and return to their fatherland. In our opinion, Sihanouk does not have any role to play while his son is lobbying for U.S. assistance. We can tell you that the guerrilla warfare of Sihanouk's son and Son Sann requires a lot of money. Nobody can afford it. The United States knows better than anybody that money and weapons cannot help anyone to win a war.

[Reporter] The refugee problem has now become a heavy burden for Thailand. Do you think that there is a solution to this problem?

[Hun Sen] As a matter of fact, the Cambodian refugee camps in Thailand have been turned into bases for reservists of the resistance forces. Food and aid materials are delivered to the resistance forces under the label of assistance for refugees.

We sympathize with the Thai people for having to carry the heavy burden caused by Cambodian refugees. The people who entered Thailand in 1979 ran away from the Pol Pot regime, not the present government. Later the Pol Pot clique brought some more people into Thailand and recruited them into the resistance forces.

All of the refugees want to go to third countries. They do not want to serve as reservists for any side. However, we are willing to hold talks to find ways to repatriate refugees of all groups regardless of when they left the country. We have been trying to propose talks with Thailand to find a solution to the refugee problem -- the burden claimed by Thailand -- but the Thai Government refuses to talk with us.

We believe that if Thailand really thinks that the refugees have created a big problem for it, no political issue should be cited as an obstacle to such talks. Whether Thailand recognizes our government or not, we still can hold talks on the refugee problem, the heavy burden Thailand faces. We can help relieve this burden through international organizations. We can assure you that we will take all Cambodian refugees back. Not even one of them will be left to create any burden to Thailand. Our country has been suffering enough. Considering our small population, we have plenty of land for all Cambodian people to live. We hope that Thailand will help us tackle this problem by starting negotiations.

[Reporter] Would you please explain the option you have proposed for the settlement of the Cambodian problem which was cited by the Australian foreign minister during his stay in Bangkok?

[Hun Sen] The military victories over the Cambodian resistance forces along the Thai-Cambodian border we discussed earlier cannot solve the Cambodian problem. We firmly maintain that the solution to the problem must be achieved through negotiations, not war.

We have our compass set right. The Cambodian problem must be settled only through political means and at the same time we offer our proposal for a political solution. We also know that the Thai leaders have been calling for military assistance to the resistance groups. Why? Does the Thai Government want to solve the Cambodian problem through military means?

Our proposal was designed to open the door for negotiations to end the Cambodian conflict. The negotiations can be conducted between the ASEAN and Indochinese states while other countries like China, the Soviet Union, and the United States can also take part. The highlights of our proposal are as follows:

1. Dissolve the Pol Pot clique politically and militarily.
2. Withdraw all Vietnamese troops from Cambodia under international supervision.
3. Hold free elections with participation of all groups of the Cambodian people under international observation.
4. Declare Southeast Asia a zone of peace so that all countries in the region can peacefully coexist and will not use their territories for aggression against others.
5. Oppose the use of external force against other countries.
6. Recognize the integrity, sovereignty, and independence of Cambodia.

We give top priority to the problem with Pol Pot, the center of all existing problems. The development of our country will run into obstacles if the Pol Pot problem is not solved. This is the very reason we have allowed the Vietnamese volunteer troops to remain in Cambodia until today.

[Reporter] Australian Foreign Minister Hayden spoke about general elections with all Cambodian factions taking part. What is your proposal concerning its implementation?

[Hun Sen] We have already said that once the problem of Pol Pot is solved, general elections will be held immediately under international supervision with all Cambodian factions taking part. It would be a free general election. All Cambodian factions can return to their fatherland for the elections. We only make an exception of Pol Pot and Ieng Sary. Their families as well as Khieu Samphan and other members in the Pol Pot clique can participate in the elections. There is no problem for Sihanouk and Son Sann either. Pol Pot and Ieng Sary committed unpardonable crimes against the Cambodian people, but their families did nothing wrong.

[Reporter] Western sources have reported that Sihanouk has already tried at least three times to arrange talks between Heng Samrin and himself. Will you confirm that?

[Hun Sen] Before 1985 we could not give that opportunity to Sihanouk because he was still in close collaboration with Pol Pot. We always wondered how Sihanouk could join with Pol Pot because Sihanouk dreamed of a Cambodia on the path of socialism and prosperity. The Cambodian people are marching in that direction. The Cambodian people are the owners of the country and they are building their common property toward socialism which definitely will not be similar to the satanic socialism of Pol Pot.



Sihanouk has already experienced the inhuman harshness of Pol Pot, but still he continues to collaborate. If he loves Cambodia and wishes to build Cambodia along with the Cambodian people, Sihanouk can do so by upholding the free election policy for Cambodia.

We did not have a policy of collaborating with Sihanouk before. Now that we have destroyed Pol Pot's military bases, we feel that we are strong enough to talk about national reconstruction and unification of all Cambodians regardless of the fact that Sihanouk has not even once cooperated with us. We never think we have any problem with Sihanouk. Sihanouk can return to Cambodia immediately -- tomorrow if today he shakes off his ties with Pol Pot -- so that he can prepare for the general elections.

[Reporter] Can you tell us how many more years Cambodia will need Vietnamese volunteer troops for security in the country?

[Hun Sen] We can tell you frankly that we are looking for a possibility of holding talks among Cambodian nationals in order to solve our problem, and we hope that all the problems will be solved within 5 years. This means the withdrawal of Vietnamese volunteer forces will be made within that period.

[Reporter] Do you not think that the presence of an army of 180,000 Vietnamese soldiers in Cambodia has turned Cambodia into a military colony of Vietnam?

[Hun Sen] If we wanted to have colonialists in this country, we would rather have the Americans or the French because they are wealthier. Vietnam is not like Paris or Washington. Vietnam is the example of a liberation army. You cannot think of Vietnam in Cambodia the way you think of American soldiers in Thailand and what they left -- hired wives and Amerasian children. You can ask the people in Cambodia what the Vietnamese soldiers have taken nothing away from them except for the oxygen they share with the Cambodians in breathing.

[Reporter] What do you really mean when you say -- as you have many times -- that "the situation in Cambodia is irreversible?"

[Hun Sen] Cambodia has taken its destiny into its own hands. Why should we go back to slavery again?

Cambodia is nonaggressive. What it wants is peace and freedom, and prosperity for its people. The people are the owners of the country, their common property. You no longer see the contrast of the wealthy and the poverty-stricken people any more. We are building our country along the road of socialism. Of course, it is not the socialism Pol Pot's style where people were executed. As we are heading this direction, why should you expect Cambodia to change course?

The present government in Cambodia is 7 years old. The government of Lon Nol with full backing from the United States lasted only 5 years. Meanwhile, the Pol Pot regime, which inherited technological progress and material readiness from the Lon Nol clique and got all-out support from China, lasted only 3 years. Governments hated by the people are short-lived

We in Cambodia are building our nation, our economy, and the welfare of the people. We are also trying to strengthen our territory. So why should we reverse our course? Believe me, the situation in Cambodia is irreversible. We are marching ahead.

[Reporter] The Thai people are concerned with the military buildup in Cambodia, especially at the foreign naval base in Kompong Som. What do you have to say on that?

[Hun Sen] The Thai authorities are good at putting up smokescreens, not facts. Cambodia is nonaggressive. On the other hand, we have been the victim of aggression throughout. The Thai authorities must be aware of that. We can review recent history to see that. The Thai authorities once supported the Khmer Serei activities in undermining Sihanouk. That was during the governments of Field Marshal Sarit and Field Marshal Thanom. The Thai authorities later supported Lon Nol in fighting against the liberation movement of the Khmer Rouge. Finally they are collaborating with Sihanouk, the Khmer Rouge, and the Lon Nol [as published] group against Cambodia.

The story about the Kompong Som naval base is just a cheap lie of the Thai authorities. A naval base is not a pinhole. It can be seen by anybody with normal eyesight. Several groups of reporters from France visited Kompong Som and they never reported seeing a modern Soviet naval base there.

No matter whether you believe us or not, we want to say again that Kompong Som is a commercial port. It is the economic outlet for Cambodia. It is a small port where foreign cargo vessels can berth. The road from the port to Phnom Penh is yet to be repaired, but the port is completely our property.

#### VODK COMMENTS ON SRV REACTION TO ASEAN PROPOSAL

BK200520 (Clandestine) Voice of Democratic Kampuchea in Cambodia 2330 GMT 19 Jul 85

[Station commentary: "The Hanoi Vietnamese Enemy Aggressors Are Serious Criminals Killing the Cambodian People and Are the Destroyers of Peace and Stability in Southeast Asia"]

[Text] When the 18th annual meeting of ASEAN foreign ministers put forward a proposal calling on Vietnam to hold proximity talks with the CGDK to resolve the Cambodian problem, the propaganda machine of the Hanoi Vietnamese enemy scorned this proposition. The Hanoi Vietnamese enemy's propaganda machine charged that this activity of the ASEAN countries is interference in Cambodia's internal affairs and violates the Cambodian people's right to self-determination. Everybody very much detests this scorn and distortion of facts by the Hanoi Vietnamese enemy. Everyone asks the Vietnamese: Who has interfered in Cambodia's internal affairs? Who has occupied Cambodia up to now?

At the end of 1978, the Hanoi Vietnamese, with full assistance and support from the Soviet international expansionists, sent hundreds of thousands of troops to attack and annex Democratic Kampuchea, an independent, peaceful, and sovereign state and a legitimate member of the United Nations. This aggression is a flagrant and gross violation of the principles of international law and the UN Charter. During the past nearly 7 years, the Hanoi Vietnamese enemy aggressors have maintained 250,000 troops and 50,000 of their state power's agents at all levels, totaling more than 300,000.

These Vietnamese enemy aggressors have massacred and committed serious crimes against the Cambodian nation and people using all means at their disposal. They have directly killed the Cambodian people. They have charged, arrested, and jailed our people. The Vietnamese enemy aggressors have confined our people to their strategic hamlets. They do not let our people leave these villages to earn their living so that our villagers are starving. The Vietnamese enemy aggressors have gathered and forces our people to work and serve their way of aggression in western Cambodia, which is a hot battlefield. They have stolen, robbed, and destroyed the crops and belongings of our people. They have plundered the houses, lands, rice fields, and farmlands of our people and given them to their nationals. They have used toxic chemicals to massacre the Cambodian people everywhere.

Therefore, not only have they interfered in Cambodia's internal affairs and violated the Cambodian people's right to self-determination, but the Hanoi Vietnamese enemy aggressors have also massacred and oppressed the Cambodian people. Moreover, not only they have killed the Cambodian people, but Vietnamese enemy aggressor troops in Cambodia have also intensified their shellings and violations of Thai territory. This has caused many casualties among Thai people and damage to their property and belongings. Thousands of Thai people have been obliged to abandon their houses and take refuge in safer areas deep inside Thai territory. This has caused a permanent and more serious tension in the Cambodian-Thai border region and all of Southeast Asia. Thus, the Hanoi Vietnamese enemy aggressors are serious criminals killing the Cambodian people and are the destroyers of peace and stability in this region. They are guilty of serious crimes. They cannot escape from being guilty of these crimes. They cannot blame others for the crimes that they have committed.

The ASEAN countries as well as other countries in this region do not have a single soldier on Cambodian territory and they do not wage any aggression against other countries. These countries have opposed Vietnam's war of aggression in Cambodia and have sought the solution of the Cambodian problem through political means by calling on the Hanoi Vietnamese to withdraw all their aggressor troops from Cambodia and let the Cambodian people determine their own destiny in order to restore peace and stability in Cambodia and the whole of Southeast Asia.

These activities of the ASEAN countries and other countries in the region are correct and just and conform completely to the principles of international law and the UN Charter. ASEAN's recent proposal is reasonable. This proposition has shown the goodwill of the ASEAN countries in resolving the Cambodian problem through political means. Many countries have supported ASEAN's proposal. Therefore, the charge and distortion of facts by the Hanoi Vietnamese enemy aggressors cannot reduce their guilt for their serious crimes nor mislead anyone.

On the contrary, the cheap changes by the Hanoi Vietnamese enemy aggressors have made the international community realize more clearly their tricky and vicious nature. This has also shown once again that the Vietnamese do not want to resolve the Cambodian problem seriously. They are stubborn in pursuing their war of aggression in Cambodia and genocide of the Cambodian race and continuing to implement their own regional aggressive and expansionist strategy and the global aggressive and expansionist strategy of their Soviet boss in this region. The international community detests and opposes the Hanoi Vietnamese enemy aggressors.

The international community will intensify its condemnation of Vietnam's aggression in Cambodia. It will pressure the Vietnamese further until they are forced to sit at the negotiating table to seriously settle the Cambodian problem by totally and unconditionally withdrawing their aggressor troops from Cambodia and letting the Cambodian people determine their own destiny in accordance with the six UN resolutions.



PASASON NOTES VIETNAM TREATY ANNIVERSARY

BK191554 Vientiane Domestic Service in Lao 0000 GMT 18 Jul 85

[PASASON 18 Jul editorial: "Nothing Can Shake the Great Friendship and All-Round Cooperation Between Laos and Vietnam"]

[Text] Today, 18 July 1985, marks the 8th anniversary of the signing of the Laos-Vietnam treaty of friendship and cooperation and the treaty on the demarcation of the borderline between Laos and Vietnam, which took place in Vientiane on 18 July 1977, by Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee, and Comrade Le Duan, general secretary of the CPV.

In the past 8 years, the special relations and all-round cooperation between the parties and peoples of Laos and Vietnam have been fostered, consolidated, and strengthened incessantly to become a vital strength for the two countries in the tasks of defending and building socialism. Since the day the great President Ho Chi Minh established the Indochinese Communist Party -- the predecessor of the LPRP, the CPV, and the KPRP -- the solidarity between the peoples of Laos and Vietnam as well as among the peoples of Laos, Vietnam, and Cambodia has been smoothly developed and incessantly consolidated. President Ho Chi Minh, the great leader of the Vietnamese people and a close and beloved comrade-in-arm of the Lao people, founded and paid close attention to fostering the special relationship between Laos and Vietnam. He concentrated his effort and wisdom on nurturing and strengthening this rare special relationship and solidarity, thus making it grow continuously. True to this tradition, the parties, states, and peoples of Laos and Vietnam continued to defend and strengthen this invaluable will of his until they were able to defeat the two big imperialists and regain national independence and unification for each country. Entering the new period of the revolution, the parties, states, and peoples of Laos and Vietnam have transformed the traditional special solidarity of the war time into the special solidarity and all-round cooperation in defending the country and building socialism in an efficient manner. After the signing of the Laos-Vietnam treaty of friendship and cooperation in 1977, the Lao and Vietnamese people have closely coordinated and cooperated with each other to defend the independence and sovereignty of each country and to securely defend the socialist outpost in this region. The combat preparedness and capabilities for carrying out the duties of the Armed Forces of the two countries have been constantly consolidated. In the meantime, all patterns of cooperation in each field in the new period between Laos and Vietnam as well as among the three Indochinese countries, such as in the economic field, adopted at the summit meeting of the three countries in 1983 have also been extensively applied, thereby effectively promoting growth in several economic spheres.

At a meeting held to review achievements in the past year, Lao-Vietnamese and Vietnamese-Lao Intergovernmental Commissions for Economic, Technical, and Scientific Cooperation unanimously agreed to raise the direction of cooperation for discussion and consultation in the following areas: the mutual assistance on development planning of production foundations; the building of industrial and agricultural enterprise; the exploitation of natural resources; the building of factories, warehouses, and services for society; the construction of communications routes; the training of technical and scientific cadres; the assistance in border transit transport work; the exchange of goods, experts, delegations, and knowledge in specialized fields in various forms, through gratis aid and loans. Some projects are jointly executed by both sides. The development of sisterhood between provinces in the two countries has gradually become all-round, thus strengthening the strong position of each side in binding and assisting each other from the local and grass-roots level upward, resulting in building these provinces into firm and strong strategic units.

The success of this friendship and cooperation has become an important contribution to the overall victory of the revolution and the socialist transformation and construction in Laos. The Lao revolutionary cause, whether carried out in the period of national liberation struggle against the French colonialists and U.S. imperialists or in the present period, has always received wholehearted support and effective assistance from the CPV, cadres, and Vietnamese people of all tribes no matter what difficult situation they are in or how many complex problems they have to face.

Beloved and respected Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee, once said: Throughout the evolution movement of the revolution, the heroic Vietnamese people never paid any heed to any difficulties, hardships, and sacrifices. They always stood firm in the front line of struggle. They dared to face and dared to defeat the imperialists, expansionists, and reactionaries. They always regarded the causes of the two fraternal peoples of Laos and Cambodia as their own. They always acted as the pillar of the revolution in Indochina and have always maintained their role as the mainstay of the unbreakable solidarity among Laos, Vietnam, and Cambodia.

On the occasion of the 8th anniversary of the signing of the Laos-Vietnam treaty of friendship and cooperation, the Lao party, state, and people of all tribes would like to express our profound gratitude to the Vietnamese party, state, and people. We would like to wholeheartedly hail all cadres and combatants in the Vietnamese volunteer forces, workers, Youth Pioneers, and cadres of all the Vietnamese sister provinces; and Vietnamese teachers, medical personnel, engineers, and cadres in the cultural, artistic, science, and technical fields for further enhancing the Vietnamese-Lao traditional solidarity by sincerely serving the Lao revolutionary cause in the new period.

We would like to express our greetings and profound gratitude to the families of those Vietnamese people who have sacrificed their lives or been disabled, and to Vietnamese internationalist fighters for having contributed and for currently making great contributions to the revolutionary cause of the Lao people.

At present, we are standing before a new glorious situation. The three fraternal countries in Indochina are securely defending their independence and sovereignty, advancing together toward socialism with firm steps, and scoring successive great victories. Nevertheless, the world situation is currently very tense. The imperialists, led by the U.S. imperialists, are busily carrying out the arms race, thereby pushing mankind to the abyss of the nuclear holocaust.

In Southeast Asia, the reactionaries in the Beijing ruling circles are colluding with the U.S. imperialists to instigate a multifaceted destructive war against the three Indochinese countries. They have created rifts and confrontation among the countries in Southeast Asia and have instigated the reactionary elements to oppose the independence and sovereignty of the countries in this region in order to realize their dark scheme of expansionism. They are prominent factors in creating unrest and are directly threatening the stability of the countries of Southeast Asia.

In view of such developments, it is requested that the three Indochinese peoples, in general, and the Lao and Vietnamese peoples, in particular, strengthen their solidarity and all-round cooperation so as to make them more effective than ever. At the same time, they must strengthen the solidarity and all-round cooperation with the Soviet Union and the other countries in the socialist community and increase solidarity with the countries of the Nonaligned Movement and all peaceful and progressive forces throughout the world, aiming at smashing all sabotage, subversive, divisive, and nibbling schemes of the enemies.

The Lao people, together with the fraternal Vietnamese and Cambodian people, will never cease our attempts and endeavors to preserve and promote our relations, cooperation, and friendship with the ASEAN countries so as to enable the trend of meetings and talks to win over the trend of confrontation, aimed at building Southeast Asia into a zone of peace, stability, friendship, and cooperation.

The Lao and Vietnamese peoples, as well as the three Indochinese countries, will never cease heightening our vigilance against the sabotage, subversive, and divisive schemes of the enemies. We will strive to defend and promote the special relations and solidarity between Laos and Vietnam and among Laos, Vietnam, and Cambodia so that they will become an integral part of the daily life of the people of the three countries.

The Lao party, state, and people of all tribes firmly believe that with the special solidarity and all-round cooperation between Laos and Vietnam and among Laos, Vietnam, and Cambodia, with the close solidarity and all-round cooperation with the Soviet Union and the other fraternal socialist countries, the glorious revolutionary causes of the Lao and Vietnamese people and those of the three Indochinese people will be crowned with victories.

On this auspicious occasion, the Lao party, state, and people of all tribes hope that the fraternal Vietnamese people, under the correct and creative leadership of the CPV led by beloved and respected Comrade General Secretary Le Duan, will score yet new glorious greater successes in the cause of building and defending their socialist country. We hope that the special solidarity, militant alliance, and all-round cooperation between Laos and Vietnam and among Laos, Vietnam, and Cambodia will become more stable and firmer and develop forever.

#### SINCERITY IN RELATIONS WITH THAILAND REITERATED

BK201002 Vientiane Domestic Service in Lao 0000 GMT 18 Jul 85

[Unattributed "article": "Legitimate Stand and Good Intentions in Safeguarding and Improving Lao-Thai Relations"]

[Text] The Lao people of various tribes have always cherished and nurtured neighborly relations with the Thai people. In particular, over the past 10 years the LPDR Government and the Lao people of various tribes have persisted in efforts to maintain and consolidate the good, neighborly relations with the Kingdom of Thailand. But why have the consistent stand, good intentions, and sincerity of the Lao side not been reciprocated by the Thai side in order to maintain, promote, and expand the relations between the two countries and the two peoples and to turn the Lao-Thai border into a border of peace and friendship in accordance with the aspirations of the peoples of Laos and Thailand?

As everyone knows, through the efforts of the two sides the Lao-Thai and Thai-Lao statements were signed in early 1979. Stipulated in the two statements are various principles and methods of the enhancement of the relations between the two countries and the turning of the Lao-Thai border into a border of genuine peace and friendship. It is very regrettable that the Thai side has failed to implement the contents of the joint statements. As a result, Lao-Thai relations have drifted in a direction which does not serve the interests of the two peoples. In particular, over the past few years, relations have even become tense. But, adhering to its consistent stand and with good intentions toward resolving all problems through peaceful means in accordance with the contents and spirit of the joint statements of 1979, the Lao side had sent its delegations to hold talks with delegations of the Thai side in Bangkok on many occasions. But no success has been achieved due to the Thai side's insincerity.



Since the failure of the Lao-Thai talks in Bangkok, the LPDR Government has on many occasions proposed a resumption of talks between the two countries. So far, however, the Thai side has yet to respond to the Lao side's creative proposals. Moreover, it has even accused the Lao side of having no sincere intention in returning relations between the two countries to normal. The Lao people, like the Thai people, cannot understand the Thai side's distortions.

Nevertheless, with its good intentions and pure sincerity toward improving the good neighborly relations with the Kingdom of Thailand, and despite of the fact that Lao-Thai relations remain tense and that the Thai troops have not yet totally withdrawn from areas of the three Lao villages, on 1 July Phoun Sipaseut, minister of foreign affairs of the LPDR, sent an official letter to Air Chief Marshal Sitthi Sawetsila, minister of foreign affairs of the Kingdom of Thailand, proposing once again that the two sides appoint their government delegations to hold talks with no preconditions with a view to settling the various problems concerning relations in many fields between the two countries. In the letter, Phoun Sipaseut also proposed the date and place as well as major topics for the talks.

This is aimed at developing relations between the two countries and turning the Lao-Thai border into a border of peace and friendship. This is the Lao side's sincerity and good intentions which have been shown through actual practice. It is the sincerity and good intentions of those who truly maintain an aspiration to safeguard and improve Thai-Lao relations for the interests of the Lao and Thai peoples. If the Thai side maintains sincerity in this regard as noted in the statement of 14 June 1985 issued by the Thai Foreign Ministry, it is appropriate for the Thai side to positively respond to the LPDR Government's reasonable proposal in order to improve, promote, and expand relations between the two countries and turn the Lao-Thai border into a border of genuine peace and friendship in conformity with the contents and spirit of the Lao-Thai joint statements of 1979.

#### PHOUMI VONGVICHIT MEETS YOUTHS ON MOSCOW FESTIVAL

BK191322 Vientiane KPL in English 0903 GMT 19 Jul 85

[Text] Vientiane, July 19 (OANA-KPL) -- Phoumi Vongvichit, Politburo member of the party CC, vice-chairman of the Council of Ministers, talked here yesterday to over 200 participants to the 12th World Festival of Youths and Students to be held in Moscow from July 27 to August 3.

P. Vongvichit spoke of the internal and external situation with an emphasis on the dark maneuvers of the imperialists aiming at opposing the spirit of the festival and especially against socialist countries. He gave advice to the participants to actively contribute to the success of the festival.

#### SRV ECONOMIC DELEGATION ARRIVES FOR VISIT

BK191326 Vientiane KPL in English 0914 GMT 19 Jul 85

[Text] Vientiane, July 19 (OANA-KPL) -- An economic delegation of Hanoi led by Pham Si Liem, member of the party committee and vice-mayor of Hanoi, arrived here yesterday for a friendly visit at the invitation of the Vientiane party and administrative committees.

Welcoming the delegation at the airport were Sithon Sibounhuang, member of the party and administrative committees of Vientiane, deputy-minister, and other officials.

On the same day, the delegation met with Vientiane delegation headed by Dr Siho Bannovang, vice-mayor of Vientiane. The two sides reviewed the past six months work and exchanged views on bilateral economic cooperation for 1986-1990.

#### AGREEMENT SIGNED WITH SRV JOURNALISTS GROUP

BK201054 Vientiane KPL in English 0917 GMT 20 Jul 85

[Text] Vientiane, July 20 (OANA-KPL) -- A cooperation agreement between the Lao Journalist Association [LJA] and the Vietnamese Journalist Association [VJA] for 1986-90 was signed here yesterday. Signatories were Son Khamvanvongsa, on behalf of the LJA and Dao Tung, on behalf of the VJA.

The agreement stipulated that the two sides will raise the ability of their propaganda network in the process of struggle against imperialists, hegemonists, expansionists and other reactionaries, for peace, freedom, sovereignty and socialism.

They will also cooperate on the training of journalists for further strengthening the solidarity, special combatant alliance and the all-round cooperation between the two countries.

#### WOMEN'S UNION RALLY ADOPTS RESOLUTIONS

BK201159 Vientiane KPL in English 0900 GMT 20 Jul 85

[Text] Vientiane, July 20 (OANA-KPL) -- Some 10,000 women gathered today at the "Fa Ngum" school here to celebrate the 30th founding anniversary of the Lao Women's Union (20/7). Among those present on the rostrum were Phoumi Vongvichit Politbureau member of the LPRP CC and the vice-chairman of the Council of Ministers, Phetsamon Lasasimma, member of the party CC, and vice-president of the Lao Women's Union CC, Boulang Boualapha, member of the party CC and vice-president of the Lao Front for National Construction CC and other senior officials. Also present at the meeting were diplomatic envoys from socialist countries and representatives of international organizations here.

After the national anthem was played, young pioneers presented bouquets to the leaders present on the rostrum. In her opening speech, P. Lasasimma highly evaluated the multifaceted achievements and the development of the Lao Women's Union during the past 30 years.

The meeting adopted the following resolutions:

We praise the achievements of the Lao women's movement during the national democratic revolution and during the 10 years of the safeguard of independence and socialist construction under the leadership of the Communist Party of Indochina in the past and of the Lao People's Revolutionary Party at present. This grand rally is a symbol of the acknowledgement of the most precious heritage of the fine traditions of the nation in general and of the Lao women in particular, it is a reflection of the Laos concern and instructions of party towards women, it reflects the growth and development of Lao women who are following the path of national liberation and national socialist construction, stepping up to self-emancipation and it is also a correct evaluation of the short-comings in the Lao women's movement in the past period which we have to strive to overcome.

The Lao women of all ethnic groups express deep gratitude to and confidence in the Lao People's Revolutionary Party, the close organizer and leader of the formation and instruction of Lao women for their continuous development. So the Lao Women's Union resolve to learn the content of the 7th resolutions of the party Central Committee, to actively contribute to the realization of the state First 5-Year Plan and wholeheartedly emulate to create achievements to welcome the 10th founding anniversary of the Lao People's Democratic Republic.

Staffs, members of the Lao Women's Union of all sectors of works and women of all ethnic groups, various strata and ages, Lao women inside and outside the country will foster the traditions of solidarity, of patriotism, the spirit of courageous struggle, revolutionary heroism, the spirit of collective mastership, will strive even further to actively develop the spirit of the resolutions of the 1st Lao Women's Congress, to impulse the "3 qualities and 2 duties" movement, to honourably contribute to the defense and construction of the socialist homeland, to strive to strengthen the special solidarity with the women of Vietnam and Kampuchea, to consolidate the solidarity and all-round cooperation with the women and people of the Soviet Union and other socialist countries.

We praise and wholeheartedly support the unswerving stance and good will of the LPDR to settle peacefully the Lao-Thai problems.

We demand that the Thai rightist reactionaries put an end to the occupation of the area of the 3 Lao villages which they have plundered, committing brutal and insane crimes against the population, causing losses of lives and material damages to the local population including a great number of women and children.

We shall actively contribute to the struggling movement against the war-mongering and militaristic policy of the imperialists and reactionaries, against the arms race, the threat of a destructive nuclear war, against the militarization of outer space, for the safeguard of peace, stability and security in the region as well as in the world, thus bringing a life of happiness and prosperity to our children.

#### SALI VONGKHAMSAO SPEAKS AT TRAINING COURSE

BK221031 Vientiane KPL in English 0915 GMT 22 Jul 85

[Text] Vientiane, July 22 (KPL) -- The central school for cooperative managing cadres attached to the Ministry of Agriculture, Irrigation, and Cooperatives on July 18, opened its 6th course for 70 attendants from various ministries and provinces. Among those present at the opening ceremony were Sali Vongkhamhao, secretary of the party CC, vice chairman of the Council of Ministers, and chairman of the State Planning Committee, Inkong Mahavong, member of the party CC, minister of agriculture, irrigation and cooperatives, and other senior officials.

On this occasion, Sali Vongkhamhao gave a speech to the gathering with an emphasis on the implementation of the party's policy in the transformation of the scattered small agricultural production into a collectivization system of production.



FOREIGN MINISTER ON LAO PROPOSAL FOR TALKS

BK221002 Bangkok Domestic Service in English 0000 GMT 22 Jul 85

[Text] Thailand needs more time to consider Laos' overture for a new round of high-level talks to improve relationship which has been marred by the unresolved border dispute between the two countries. Foreign Minister Sitthi Sawetsila said any new negotiation proposal has to be carefully studied and Thailand cannot make any commitment right away.

The official Laotian news agency recently broadcast a statement by Laotian Foreign Minister Phoun Sipaseut who offered to send Laotian officials to Bangkok in early July to discuss the cross-border travel by citizens of both countries, exchanges of delegations, improvement of mutual understanding, trade promotion and other general issues.

He said Laos is ready to improve relations despite what it claimed to be the continued presence of Thai military forces in the Laotian border area since 1984. Thai military authorities and Foreign Ministry officials have repeatedly said all Thai forces have been withdrawn from the disputed area.

'ILLEGAL ALIENS' FROM LAOS TO FACE REPATRIATION

BK230125 Bangkok BANGKOK POST in English 23 Jul 85 p 3

[Text] The Interior Ministry is to repatriate illegal aliens from Laos in an attempt to stop the steady flow of Laotians into Thailand, a senior ministry official said yesterday.

The ministry is studying three possible spots in Nong Khai, Mukdahan and Nakhon Phanom where the Laotians will be sent back.

The first group of Laotians to face repatriation will be those who arrived in Thailand after July 1, numbering about 30.

The ministerial-level committee headed by Deputy Interior Permanent Secretary Charoenchit na Songkhla has yet to decide upon the guidelines and the exact locations of the spots for those should be repatriated.

Local committees will later be set up in border districts with Laos to select who should be sent back. The ministry has decided to adopt tough measures to deal with the increasing number of Laotians who illegally sneak into Thailand.

According to figures recently released by the UN High Commission for Refugees, the Laotians comprise the largest single group of Indochinese refugees in Thailand, totaling over 86,000, about 54,500 of whom are from hill tribes.

SITTHI, SRV IGNORES 13 ASEAN PEACE PROPOSALS

BK230215 Bangkok THE NATION in English 23 Jul 85 p 3

[Excerpt] Foreign Minister Sitthi Sawetsila yesterday told the Thai envoys from Asia and the Pacific that ASEAN countries since 1978 have put forward peace proposals to solve the Kampuchean conflict on at least 13 occasions but they were ignored by the Vietnamese.

An informed source said that Sitthi told the 23 Thai ambassadors attending the week-long seminar and field-trip that Vietnam failed to respond positively to the ASEAN proposals which sought to solve the six-year-old Kampuchean conflict in a peaceful manner, but instead Vietnam insisted on solving the problem through military means.

Sitthi also thanked the envoys, who had played crucial roles in garnering support for the victory of Thailand's bid to win a seat in the United Nations Security Council last year.

On the dry-season offensive, Sitthi said that the Vietnamese forces were able to destroy only about five percent of the Khmer resistance forces and that at present they have been active in the Kampuchean interior.

The foreign minister also briefed the visiting envoys on the outcome of the recent annual ASEAN meeting and urged them to find ways and means to increase intra-trade among ASEAN countries, according to the source.

#### ARMY SECRETARY ON CAMBODIA BORDER SITUATION

BK221206 Bangkok Domestic Service in Thai 1300 GMT 20 Jul 85

[Recorded statement by Army Secretary Major General Narudon Detpradiyut at the Supreme Command Headquarters on situation along the Thai-Cambodian border -- date not given]

[Text] The fighting inside Cambodia adjacent to the border areas under the Army's responsibility slackened during the period under review when compared with last month. The weather is an obstacle to Vietnam's suppression operations. However, Vietnam's still deploying its forces to put pressure on Democratic Kampuchea along the Thai-Cambodian border. They have sent small units to patrol and fired artillery shells into Thai territory on some occasions. The situation can be summed up as the follows:

In the areas under the responsibility of the Suranari force, Vietnam deployed troops inside Cambodia along the border areas opposite Ban Kruat District of Buriram and Surin Provinces. They sent patrol units to gather information on the location of Democratic Kampuchean forces. Almost every time their patrols violated Thai territory and clashed with Thai forces, resulting in the killing and wounding of a number of our troops. There were four clashes -- in Nam Yun District of Ubon Rathchathani, Khukhan District of Sisaket, Sangkha District of Surin, and Ban Kruat District of Buriram. As a result, one official was killed, two civilians were wounded and one is missing.

They attacked our forces once in Sangkha District of Surin Province, killing one ranger and wounding three others. Our troops stepped on landmines three times in Nam Yun District of Ubon Ratchathani and in Kantharalak District of Sisaket, resulting in the deaths of one soldier and one civilian, and the wounding of another

#### PAPERS ASSESS KHMER ROUGE RADIO STATEMENT

##### MATICHON Analysis

BK190713 Bangkok MATICHON in Thai 18 Jul 85 p 4

[Editorial: "Khmer Rouge Withdrawal -- Why?"]

[Text] The Khmer Rouge radio earlier this week announced that the Khmer Rouge is willing to be left out of a future coalition government in Cambodia. This statement opens the way for peaceful settlement of the Cambodian problem.

To facilitate Prince Sihanouk's negotiations with Vietnam, the Khmer Rouge also said it will accept Heng Samrin in a newly elected government on the condition that Vietnam must leave Cambodia.

The Khmer Rouge statement means that the Khmer Rouge is ready to reduce its political role, probably as a result of it coming to its own unbiased conclusion about its status. Although it dissolved the communist party and declared that it had discarded ultra-leftist policies for the free economic system, the Khmer Rouge was unable to regain the support it once had.

Most free world countries, including a superpower like the United States, which have tried to resolve the Cambodian problem, have persistently rejected recognition of the Khmer Rouge. The main reason the majority of UN members recognized the CGDK was Prince Sihanouk's charisma and ASEAN campaigns to inform the world about Vietnamese violations of the UN Charter.

These are the facts that the Khmer Rouge must accept lest it deceive itself. The Khmer Rouge's acceptance of these facts is good for its own image, though not to the extent that its recognition by the free world will be forthcoming. Moreover, Vietnam, the Khmer Rouge's major adversary, has set a precondition that the Khmer Rouge and its leader -- Pol Pot -- must be eliminated before the withdrawal of its soldiers from Cambodia.

The Khmer Rouge's readiness to curtail its political role has opened up opportunities for a search for peace in Cambodia, as shown by statements of the Malaysian and Thai foreign ministers. The only ingredient missing is a response from Vietnam, which still feels that its precondition has not been fully met because the Khmer Rouge only said it is ready to leave the political arena but will not eliminate Pol Pot.

It appears that the Khmer Rouge's major objective in its departure from the political arena is for all Vietnamese soldiers to leave Cambodia and for Vietnam to accept the new coalition government with Heng Samrin's participation. Vietnam's rejection of this flexibility on the part of the Khmer Rouge will mean that it is the party blocking a peaceful settlement of the problem. The Khmer Rouge's way out would then be to resume a military role, which it has never renounced.

#### Article Explores Possibilities

BK221237 Bangkok SIAM RAT SAPDA WICHAN in Thai 21 Jul 85 pp 16, 17

[Article: Cambodia -- The Game Has Changed"]

[Excerpt] The Khmer Rouge radio said recently that the Khmer Rouge might not become part of a future Cambodia government in exchange for complete withdrawal of Vietnamese soldiers from Cambodia for the sake of an end to the war there. But the Khmer Rouge rejected SRV Foreign Minister Nguyen Co Thach's remark, given to TIME magazine, for the exile of Pol Pot to China or Thailand.

At this time there is no confirmation of whether the Khmer Rouge is serious about its proposal. The Malaysian foreign minister has instructed the Malaysian Embassy in Bangkok to verify the proposal, because nonparticipation of the Khmer Rouge in the Cambodian Government will render ASEAN's task for solving the Cambodian problem easier in light of the fact that while the Khmer Rouge is the most influential group among the Cambodian resistance elements, it is resented by most Western countries, including the United States, for its crimes against the Cambodian population while in power.



The Khmer Rouge's military power owes its support to China and it is believed that its policy and position is influenced by China. Therefore, it is not strange for many to think that the latest Khmer Rouge proposal is a result of Chinese pressure.

The Khmer Rouge statement said its proposal is the result of a meeting, held on 5 and 6 July, of its military and political offers. The statement said as a political principle, the Khmer Rouge will accept the results of general elections in Cambodia. It said as a political party in Cambodia, it could chose to join the Cambodian Government after an election.

If the Khmer Rouge is serious about its position, it means that it is ready to join in the election without necessarily joining the government. What remains an issue is: Will Vietnam withdraw its soldiers from Cambodia while Pol Pot remains there? It can be anticipated that Vietnam will not agree to this and, if so, ASEAN will probably have to negotiate with the Khmer Rouge because the Khmer Rouge may have to sacrifice Pol Pot in exchange for survival of the Cambodian nation, or Cambodia will face continued occupation by Vietnam. This continued occupation will result in the eventual swallowing up of Cambodia by Vietnam racially and culturally. If this happens, Pol Pot's exile or the withdrawal of Vietnamese soldiers would not prevent assimilation of Cambodia by Vietnam.

#### COLUMNIST ASKS SHIFT OF ATTENTION FROM CAMBODIA

BK201059 Bangkok THAI RAT in Thai 13 Jul 85 p 5

[Column by Chan Sithong: "Whose Government?"]

[Text] There is something I do not understand -- whenever foreign leaders visit Thailand, we must always take them to the Cambodian refugee camps at the border. In the wake of their visits, the Thai Government declares that Thailand and ASEAN received support from foreign countries in solving the Cambodian problem. What is more substantial is the financial aid provided the Cambodian refugees. Even the U.S. secretary of state, George Shultz, who left a few days ago, gave \$5 million -- or about 136 million baht -- to Cambodia for use in fighting Vietnam.

And what do the Thai people get? This is the question I would like to ask our leaders.

Each time he returns from a trip abroad, our foreign minister, Air Chief Marshal Sitthi Sawetsila, also reports about support he received for that stupid Cambodian problem. What is this? We are not being selfish, but we feel that the Thai Government has gone too far in taking care of the problem of other people's problems instead of paying attention to those of our own country. What problems? The economic problems are the ones we are all having a hard time with. Economic decline has hit every corner of the country. Rice products do not get a good price. Rubber products are as cheap as toilet paper. Tapioca and corn have no market.

M.R. Khukrit Pramot, leader of the Social Action Party, the party in charge of economic matters since two party members are in charge of the Commerce and Agricultural Ministries, even admitted that he sees no bright future for the country because, according to him, farmers -- who constitute the majority of the population -- have no purchasing power, which causes a decline in other business sectors. What is important is that the government will have no money for national development.

Knowing how the situation is, will the government continue to be busy with other matters instead of the life-and-death problem of this Thai people?

Thus now is the time for us to muster all our mental resources in solving this serious problem our country faces. Now when we meet foreign leaders we should try to sell our major products to earn income for the country. It is out of place now for us to talk about the Cambodian problem and get praise for our leading role. Those words cannot help solve the problem of our countrymen's poverty. If we continue playing the role of a small man with a hunchback, we cannot avoid being exploited by other ASEAN members. Singapore is a small island with no natural resources. Yet, it is a big exporter of rice and ore.

We have everything in our country, so why do we have to use others as middlemen? Our businessmen can do the job. Give them a stimulus. This is something good for you to do. If you do not do it, we wonder whose government you are.

#### ASSEMBLY APPROVES CONSTITUTIONAL AMENDMENT

BK221244 Bangkok Domestic Service in Thai 1200 GMT 22 Jul 85

[Text] At 1405 today, the fourth joint sitting of the two houses under the current ordinary session was held at the National Assembly under the chairmanship of National Assembly President Ukrit Mongkhonnavin to vote on the draft amendment of the Constitution of the Kingdom of Thailand proposed by M.R. Khukrit Pramot and his party.

The chairman explained to the meeting the voting method for the third reading of the draft bill, saying that each member of parliament would be called by name and required to declare aloud if he voted for, against or abstained. The bill requires a simple majority in the National Assembly to pass the final reading.

The voting started at 1410 and ended at 1510. The results were as follows: 298 votes for the bill, 17 against, with 27 abstainers.

Ukrit then told the meeting that the bill received more than half the votes in the two houses. The prime minister will next present the draft constitutional amendment to his majesty the king to affix his signature before it becomes effective after its publication in the Royal Gazette.

Before the closure of the joint session, the parliamentary secretary read out the royal decree on the closure of the ordinary session for 1985.

VO VAN KIET ATTENDS NICARAGUAN CELEBRATIONS

BK221604 Hanoi VNA in English 1550 GMT 22 Jul 85

[Text] Hanoi VNA July 22 -- A Vietnamese party and government delegation led by Vo Van Kiet, Political Bureau member of the Communist Party of Vietnam Central Committee and vice-chairman of the Council of Ministers, visited Nicaragua from July 18-21 and attended celebrations of Nicaragua's sixth liberation day.

It was cordially received on July 19 by Daniel Ortega, member of the national leadership of the Sandinista National Liberation Front (FSLN) and president of the Republic of Nicaragua.

On this occasion, Vo Van Kiet expressed his joy at visiting Nicaragua and attending various activities in celebration of the anniversary, as well as his deep impressions on the Nicaraguan peoples unity, patriotism and revolutionary mettle in their struggle against the U.S. imperialists, policy of aggression and interference, for national construction and defence. He also expressed the Vietnamese party, government and people's militant solidarity with and full support for the fraternal Nicaraguan people's just struggle and his firm belief that the heroic Nicaraguan people under the clear-sighted leadership of the Sandinista National Liberation Front and the revolutionary government and with support and assistance from all progressive peoples, would win final victory in their glorious revolutionary cause.

President Daniel Ortega thanked the Vietnamese party, government and people for sending the delegation to his country to attend the celebrations of the Nicaraguan anniversary. The Vietnamese delegation, he said, has brought us the Vietnamese people's warm feelings of militant solidarity at a time when we are confronted with the U.S. imperialists' criminal policy of war escalation. President Daniel Ortega reiterated the Nicaraguan Liberation Front, government and peoples determination to defend their national independence and sovereignty and tirelessly strive for peace and stability in Central America through negotiations.

In a banquet given on July 19 in honour of the Vietnamese guests, Vo Van Kiet had cordial talks with Bayardo Arce, president of the FSLN national leadership and other Nicaraguan leaders.

The guests visited a number of historical and cultural relics and called upon Miguel d'Escoto Brockman, Nicaraguan minister for foreign affairs, who has been on a hunger strike for 12 days now in protest against the U.S. imperialists' policy of aggression against Nicaragua.

LEADERS OBSERVE NICARAGUAN ANNIVERSARY

## Hanoi Meeting

OW210150 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Jul 85

[Report on 19 July Hanoi meeting marking 6th anniversary of the Nicaraguan revolutionary victory]

[Excerpts] Dear friends: Six years ago to the day, an historic event happened gladdening our people and progressive mankind: the Nicaraguan revolution's glorious victory on smashing the notoriously brutal Somoza regime, lackey of U.S. imperialism, winning back true independence and freedom for the fatherland, and making Sandino's dream come true.



The Vietnam Committee for Solidarity and Friendship With Other Peoples and the Vietnam-Nicaragua Friendship Association [VNFA] held a grand meeting this morning in Hanoi to mark that glorious historic anniversary of the Nicaraguan people.

Attending the meeting and participating in the meeting presidium were Comrades Tran Vy, member of the CPV Central Committee and chairman of the VNFA and Trinh Ngoc Thai, secretary general of the Vietnam Committee for Solidarity and Friendship With Other Peoples. Also present at the meeting were representatives of the Cuban Embassy in Vietnam, the Foreign Ministry, the VFF External Relations Department, the Vietnam Afro-Asian Solidarity Committee, the Vietnam Committee for Defense of World Peace, the Ministry of National Defense, and large numbers of people of various strata in the capital.

Comrade Tran Vy made the opening speech in which he pointed out the important significance of the historic 19 July victory of the Nicaraguan people.

Major General Bui Nam Ha, vice chairman of the VNFA, made a speech. He underlined the glorious achievements the Nicaraguan people have scored over the past 6 years.

On the diplomatic front, thanks to its independent and nonaligned foreign policy, its resolute struggle against imperialism, and its upholding of the banner of peace and friendship among peoples, the Republic of Nicaragua has won wide sympathy and support from progressive people worldwide. It has foiled the U.S. imperialists blockade and isolation scheme against it and its international prestige and position has been increasingly enhanced.

Comrade Bui Nam Ha stressed: [Begin recording] The victory of the Nicaraguan revolution and the proud, continuing existence and development of the Republic of Nicaragua, despite frenzied schemes and acts to oppose and sabotage it by U.S. imperialism and its lackeys, is eloquent proof that in today's world, no bellicose imperialist power can subdue the will of a people, no matter how small it is, if that people remains united and is determined to fight for its independence and freedom.

The Vietnamese people are jubilant and proud to have a friend, a comrade, and a staunch, indomitable brother like the Nicaraguan people. We warmly welcome the great victories the Nicaraguan people have scored over the past many years.

Despite repeated setbacks, the Reagan administration has not yet resigned itself to relinquishing its policy of using force to subdue the Nicaraguan and the other Latin American peoples.

Recently, the U.S. Government has escalated its activities, posing a grave threat to the independence and sovereignty of Nicaragua and to peace and security in Central America. President Reagan has openly stated his support for the overthrow of the Nicaraguan revolutionary government and has pressured the U.S. Congress to continue aid to the Nicaraguan counterrevolutionaries. He advanced a so-called peace initiative on 4 April 1985 which in fact is an ultimatum, demanding that the Nicaraguan people lay down their arms. And more recently, he decided on a trade blockade against Nicaragua and passed a decision giving \$27 million in aid to the Nicaraguan counterrevolutionaries.

More brazenly, the U.S. House of Representatives has given Reagan the power to invade Nicaragua without congressional consent, in order to protect U.S. citizens and/or the U.S. Embassy. Those are grossly interventionist, aggressive acts against an independent, sovereign country, a member country of the United Nations and the Nonaligned Movement, and crudely violate the elementary principles of international law. [end recording]

The speech then pointed out the proud and brilliant relations between Vietnam and Nicaragua and affirmed that the Vietnamese people will do their best to unceasingly consolidate and develop the friendly relations, militant solidarity, and brotherly cooperation between the two countries. The Vietnamese people shall never forget the feelings of solidarity that the fraternal Nicaraguan people have shown to the Vietnamese people in the past anti-U.S. struggle for national salvation, as well as in their present nation building and defense of their fatherland.

The representative of Cuban Embassy in Vietnam then expressed his view. He recalled the glorious victory day of 19 July; affirmed the clear-sighted policy of the Sandinista National Liberation Front; and lauded the assistance of the peoples of Vietnam, Cuba, and peace-loving people worldwide for the fraternal Nicaraguan people's revolutionary cause. Meanwhile, he condemned the schemes by U.S. imperialism and the counter-revolutionaries that undermine the revolutionary undertaking of the Nicaraguan people.

The meeting passed a resolution voicing full and determined support for the valiant struggle of the Nicaraguan people in defending their independence, sovereignty, and territorial integrity, and in building their nation. The resolution calls on all governments, world bodies, personalities, and people worldwide to act in time and resolutely stay the U.S. imperialists' criminal acts against the Nicaraguan people, to contribute, along with the fraternal Nicaraguan people, to overcoming all difficulties and ordeals, to firmly defend their fatherland, and to successfully building a new, fraternal Nicaragua that is independent and prosperous.

The meeting ended in an atmosphere of friendship and close fraternal solidarity.

#### Congratulations Sent

OW181957 Hanoi VNA in English 1548 GMT 18 Jul 85

[Text] Hanoi VNA July 18 -- Vietnamese leaders today extended their warmest greetings to President Daniel Ortega Saavedra on the sixth liberation day of Nicaragua (July 19).

The message, jointly addressed by President of the State Council Truong Chinh and Chairman of the Council of Ministers Pham Van Dong, recalls the all-round achievements of the Nicaraguan people over the past six years under the leadership of the Sandinista National Liberation Front and the Nicaraguan Government headed by President Daniel Ortega Saavedra in national construction and defence. It expresses the confidence that the Nicaraguan people, under the clear-sighted leadership of the Sandinista National Liberation Front and enjoying sympathy and support from the world progressive people, will overcome all difficulties and trials to defeat all schemes and acts of hostility of the U.S. imperialists, firmly defend their homeland and take their revolutionary cause forward.

The message says: "On this occasion, we reaffirm our militant solidarity with and full support for the fraternal Nicaraguan people in their national construction and defence". "May the militant solidarity and friendship between the two peoples of Vietnam and Nicaragua further consolidate and develop".

Also on this occasion, Chairman of the National Assembly Nguyen Huu Tho and Foreign Minister Nguyen Co Thach have sent messages of greetings to their Nicaraguan counterparts, Carlos Nunez and Miguel d'Escoto.

PARTY, STATE BODIES MEET TO ASSESS CEMA SESSION

BK200919 Hanoi VNA in English 0827 GMT 20 Jul 85

[Text] Hanoi VNA July 19 -- The Political Bureau of the Communist Party of Vietnam Central Committee and the Executive Committee of the Council of Ministers met here yesterday to hear reports on the results of the 40th session of the Council for Mutual Economic Assistance [CEMA] held in Warsaw from June 25-27, 1985.

The reports were delivered by To Huu, member of the Political Bureau of the Party Central Committee, vice chairman of the Council of Ministers and head of the Vietnamese delegation to the 40th CMEA session; and Tran Quynh, member of the party Central Committee, vice chairman of the Council of Ministers and permanent representative of Vietnam to the CMEA.

The Political Bureau of the party Central Committee and the Executive Committee of the Council of Ministers highly valued the CMEA activities in the past year and the great achievements of CMEA member countries in economic development and their scientific and technical cooperation, especially in the specialization and integration of production. They unanimously approved the documents adopted at the 40th CMEA session and instructed party and state bodies to study and carry out the resolutions of the session, especially resolution on outlining the programs for cooperation between Vietnam and other CMEA member countries.

The Political Bureau and the Council of Ministers approved the Vietnamese delegation's activities at the 40th CMEA session.

NHAN DAN TERMS THAI REPATRIATION PLAN 'TRICK'

BK221157 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Jul 85

[20 July NHAN DAN commentary: "An Insidious Trick by the Bangkok Administration"]

[Text] The Thai authorities are intensively carrying out the so-called repatriation plan for approximately 230,000 Cambodian refugees. In connivance with the criminal Pol Pot clique, the Thai authorities have, since 1975, forced those civilian followers of this clique to flee to Thailand. The PRK Government has on several occasions proposed with the Thai side to hold direct or indirect talks to solve the question of Cambodian refugees in Thailand. Far from responding positively to this proposal, Bangkok has continued to step up many slander campaigns against the PRK and Vietnam. The reason for this is that they only want to use the refugee issue as one of their tools for the implementation of their policy of confrontation with the three Indochinese countries.

Then what is the real purpose of the Thai repatriation trick? It is known to everyone that in the recent dry season, the Cambodian Army and people, with the backing of Vietnamese Army volunteers dealt stunning blows to the Khmer reactionaries. Although they have received more aid in money and weapons from Beijing and other reactionary forces, the Khmer reactionaries lost all their bases along the border areas and had to flee to Thailand. The Bangkok administration, working hand in glove with Beijing, is gathering and rearming the reactionary Khmer army remnants and is seeking ways to send them back to Cambodia to perpetrate crimes under the label of repatriation of refugees.



As Hun Sen, chairman of the Cambodian Council of Ministers, put it: This plan is nothing but a trick to save the criminal Pol Pot clique -- now in utter depression -- from disintegration, cause instability in the PRK, and maintain a state of hostility in the region.

The Thai authorities have pursued this inhuman move for the past 6 years. Bangkok has cooperated with Beijing in using Cambodian refugees for political and military purposes. Thailand has provided the reactionary Khmer army remnants with sanctuaries which they called refugee camps, has joined with China in helping the genocidal gang infiltrate into Cambodia from Thailand in order to oppose and sabotage the rebirth of the PRK and has, at the same time, constantly slandered Vietnam. More perfidiously, they have also drawn a number of international organizations onto inhuman paths, thus injuring the reputation of these organizations.

What they are now concerned about is not the fate of the civilian refugees. Their real designs are to reinstall the genocidal regime in Cambodia and oppose the just cause of the three Indochinese peoples.

It is Bangkok and Beijing's current plan to hire the reactionary Khmer army remnants to perpetrate certain crimes that can produce repercussions in order to retain the latter's illegal seat at the United Nations in the coming session.

The so-called plan for repatriation of refugees is nothing but a trick replayed. This trick is further evidence of the bellicose and inhuman policy of Thailand and China, which are stubbornly trying to cling to the genocidal Pol Pot clique and pay no heed to international law.

All the proposals advanced by the PRK bear a high humanitarian character and originated from a high sense of responsibility for the destiny of the nation. They are compatible with the interests of the Cambodian and Thai peoples and with the aspirations and demands of the people of various countries throughout the region, including the people of Thailand, for holding a dialogue to solve outstanding problems between ASEAN and Indochina and turn Southeast Asia into a zone of peace and stability.

A broad section of public opinion hailed the PRK for its good-will proposals. The Bangkok authorities have, for 6 years now, colluded with the Beijing expansionist-hegemonist clique against the three Indochinese countries. This policy of causing instability in the region was doomed to failure. By adamantly clinging to such a policy, Bangkok will only benefit the expansionist-hegemonist forces, harm the interests of the Thai people, and make the country more unstable.

Our people fully support the good-will stance of the PRK involving the question of Cambodian refugees. We resolutely demand that the Thai authorities put an end to the use of Cambodian refugees for political and military purposes against the PRK.

#### DO MUOI ADDRESSES CONFERENCE ON SOCIALIST TRADE

BK210837 Hanoi Domestic Service in Vietnamese 2300 GMT 16 Jul 85

[Text] Recently various provinces and cities and responsible sectors at the central level met in Hanoi to review the situation and discuss measures to continue developing socialist trade, transforming private trade, and intensifying market management, thus contributing to the successful implementation of the party Central Committee's eighth plenum resolution. The conference was chaired by Comrade Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers.

The conference unanimously noted that during the recent past, various northern provinces and cities have undergone changes in three aspects -- building and developing socialist trade; reorganizing, using, and transforming the number of private traders, and intensifying control over the free market against speculation, smuggling, illegal business activities, and the making of fake goods.

The socialist trade sector, which consists of state-operated trade and marketing co-operatives, has been further strengthened in terms of goods force, organization of networks -- especially the procurement and purchase network -- and material and technical bases. The sector has begun to develop its dynamic character in business activities; encourage and support production; serves the people's livelihood, increase the rates of wholesale and retail trade; reorganize, use, and transform part of the private traders under suitable forms; and further reduce the control of goods -- especially such essential commodities as grain, food, gasoline, oil, cigarettes, and cloth -- by the free market.

However, the achievements recorded are uneven and not solid. The socialist trade sector still cannot truly master the market and prices, and still does not struggle to stabilize prices and overcome the sudden change and increase in the prices of certain essential commodities on the market. The business and service networks which are important to the people's livelihood remain too weak. Work related to the placement, use, and transformation of merchants has been carried out slowly, even in major areas. The free market has not yet been reduced to an essential level, thus allowing it to control both the wholesale and retail trade in specific goods in some places and at certain times.

Meanwhile, the number of private traders remains large, and speculation, smuggling, and theft of state goods are still widely prevalent. The enemy can take advantage of this situation to continue sabotaging our country. The conference discussed various measures to continue accelerating the development and transformation of the market in the last 6 months of 1985.

Concluding the conference, Comrade Do Muoi commended various provinces and cities and sectors of the central level for the attention they have paid to the development of socialist trade, the transformation of private trade, and the management of the market over the recent past, as well as for having accomplished many important changes. We also pointed to the shortcomings and weaknesses that must be quickly overcome.

Comrade Do Muoi said: The development of the socialist market and the transformation and reorganization of the free market are two closely related aspects of a single issue, in which the development of the socialist market is the main task. From now on, state-operated trade and marketing cooperatives must quickly expand and change their operations, abolish bureaucratism and subsidization and switch completely to socialist economic accounting and business, and surge forward to master the market and prices. They must also struggle to reduce the scope of activities of the free market; ensure state monopoly over business; and prohibit private traders from dealing in essential commodities -- such as grain and other major farm products -- strategic materials, and essential industrial and consumer goods.

#### SOCIALIST PARTY MARKS FOUNDING ANNIVERSARY

OW210811 Hanoi VNA in English 0712 GMT 21 Jul 85

[Text] Hanoi VHA Jul 21 -- A meeting was held here yesterday morning by the Vietnam Socialist Party to mark its 39th founding anniversary (July 22) among those present were Nguyen Xien and Hoang Minh Gian, respectively general secretary and deputy general secretary of the party.

Speaking at the meeting, Nguyen Xien highlighted the party's revolutionary struggle over the past 39 years. He expressed of [as received] the entire party members' joy at celebrating the anniversary at a time when the whole country is implementing the resolution of the 8th Plenum of the Central Committee of the Communist Party of Vietnam on prices, wages and money and hailed the great success of the recent visit to the Soviet Union by a Vietnamese party and government delegation led by General Secretary Le Duan.

#### NGUYEN DUC TAM VISITS HAIPHONG PARTY COMMITTEE

OW191233 Hanoi Domestic Service in Vietnamese 1100 GMT 17 Jul 85

[Text] Comrade Nguyen Duc Tam, member of the Political Bureau and secretary of the CPV Central Committee, visited and worked with the Standing Committee of the Haiphong Municipal Party Committee on 12 and 13 July. Comrade Doan Duy Thanh, member of the CPV Central Committee and secretary of the municipal party committee, and other comrades of the Standing Committee briefed him on the local situation and initial achievements in implementing the eighth resolution of the party Central Committee in the municipality. Thanks to good preparations, since 1 July Haiphong has changed its system of payment for cadres, workers, and civil servants; discarded all ration stamps and coupons; applied the one-price trade policy; and implemented economic accounting and socialist business. During the first more than 10 days of applying the new pricing system on the stabilized market, prices of commodities essential to the people's life such as rice, meat, sauce, bicycle spare parts, fabrics, children's clothes, and plastic utensils remained unchanged, or dropped a little, compared with previous months. Better service and new ways of doing business have been noticed on the part of cadres and personnel in the goods distribution and circulation sector. Control of commodities and money has improved.

Comrade Nguyen Duc Tam lauded the initial achievements of the Haiphong party organization and people in implementing the eighth resolution of the party Central Committee on prices, wages, and money. To begin with, the party organization has changed the system of payment for cadres, workers, and civil servants and applied the 1-price system in order to get rid of the centralized, bureaucratic subsidy-based system of management and definitely switch to economic accounting and socialist business. Comrade Nguyen Duc Tam reminded all sectors and echelons of the municipality that they should not remain subjective and complacent and that they should continue to implement well the set policies and measures. Particularly, the goods distribution and circulation sector must make great efforts in controlling commodities and money, and in improving and transforming market and price management, in order to contribute to stabilizing and improving the people's livelihood and boosting production.

#### PARTY MEMBERSHIP UP IN HO CHI MINH CITY

BK221605 Hanoi VNA in English 1522 GMT 22 Jul 85

[Text] Hanoi VNA July 22 -- Membership of the Communist Party of Vietnam in Ho Chi Minh City has risen to almost 56,000 operating in all fields of activity. This compares to about 4,200 at the time of liberation, of which 1,200 operated underground in the inner districts and more than 3,000 in the city's outskirts. Of the additional numbers, 20,000 were admitted in the past ten years aside from those coming from other parts of the country. The expansion of the party membership was in a limbo during the first few years after liberation due to inadequate preparations, slow awakening to the revolutionary movement of the masses, and also to insidious acts of the enemy. The third congress of the city party committee strongly criticized this shortcoming and launched a drive for admission of new party members named after Nguyen Van Cu, one of the early general secretaries of the Indochinese Communist Party.



NEW ZEALANDLANGE DISCUSSES NUCLEAR WARSHIPS BAN, ANZUS

LD172142 Melbourne Overseas Service in English 1900 GMT 17 Jul 85

[Text] New Zealand's prime minister, Mr Lange, has said that proposed legislation banning nuclear warships from New Zealand's ports must not be seen as anti-American. He gave an assurance that the legislation would be introduced only after what he called a thorough dialogue with the United States. Mr Lange was replying to criticism of the nuclear warships ban by the American secretary of state, Mr Shultz, after his recent talks with Australian leaders in Canberra.

Mr Shultz has said that the New Zealand legislation would be followed by a review of the ANZUS defense treaty linking Australia, New Zealand, and the United States. Mr Lange said a redefined ANZUS involving the three partners might be useful but he stressed that New Zealand did not propose any change and had no intention of withdrawing from ANZUS. The New Zealand prime minister said he would have talks in the United States in October and his deputy, Mr Palmer, would visit Washington a month earlier.

TWO ARRESTED IN CONNECTION WITH VESSEL SINKING

HK230714 Hong Kong AFP in English 0702 GMT 23 Jul 85

[Text] Wellington, July 23 (AFP) -- A man and a woman were today charged with murder and arson in connection with the July 10 bombing of the Greenpeace vessel, Rainbow Warrior, in Auckland harbour, police said here. Police charged the pair, whose identity and nationality were not disclosed, with counts of murder, arson and conspiracy to commit the arson. The pair was arrested by detectives earlier today, police said. It was expected that the two would appear in court tomorrow.

The Rainbow Warrior is the flagship of Greenpeace, an environmentalist organization strongly opposing French nuclear testing at the Mururoa Atoll in the South Pacific. The vessel was sunk by a double explosion in which one crew member, Portuguese photographer Fernando Pereira, was killed. The vessel was to have led a peace fleet of yachts to the test site next month.

MOKHTAR ON TRADE DELEGATION'S VISIT TO PRC

BK201115 Jakarta International Service in English 0800 GMT 20 Jul 85

[Text] Foreign Minister Mokhtar Kusumaatmaja, Friday reiterated his [word indistinct] to the Indonesian Chamber of Commerce and Industry [Kadin] not to discuss matters related to politics in the People's Republic of China. A Kadin delegation will leave Jakarta for the People's Republic of China on 26 July for a week-long visit to that country. Kadin's chairman Sukamdani Gitosarjono told the press after meeting Minister Mokhtar Kusumaatmaja Friday, that the Kadin delegation to China will total of 80 people. They will be divided into eight groups in accordance with the issues they will discuss with their Chinese counterpart associated with the Chinese Council for the Promotion of International Trade [CCPIT].

Minister Mokhtar described the Kadin visit to China this year as a good opportunity for exploring possibilities to increase nonoil and nongas exports. In China the Indonesian delegation will visit the towns of Beijing and Shanghai. A memorandum of understanding for the Indonesia-China trade relations was signed by Kadin's chairman Sukamdani Gitosarjono of Indonesia and CCPIT Chairman Wang Yaoting of China. Sukamdani hoped that the two sides would sign trade contracts. Among the commodities offered by Indonesia to China are plywood, cement, fertilizer, pig iron, rubber, coffee, cocoa, cashew nuts and spices.

SUHARTO HOLDS TALKS WITH CANADA'S CLARK

BK190716 Jakarta Domestic Service in Indonesian 0600 GMT 19 Jul 85

[Text] President Suharto and Canadian Secretary of State for External Affairs Joe Clark discussed the possibility of promoting trade and economic cooperation between Indonesia and Canada at the former's residence on Cendana Street, Jakarta, this morning. The Canadian secretary of state for external affairs told newsmen that Canada expects to invest more in Indonesia.

Meanwhile, he and Foreign Minister Mokhtar Kusumaatmaja discussed a joint approach to international issues during their meeting. The Canadian secretary of state for external affairs arrived in Jakarta on Thursday evening for a visit of several days to Indonesia.

## Clark, Mokhtar Sign Aid Accord

BK191315 Jakarta Domestic Service in Indonesian 1200 GMT 19 Jul 85

[Text] Foreign Minister Mokhtar Kusumaatmaja and his Canadian counterpart, Joe Clark, discussed efforts to promote Indonesia's exports to Canada during their talks in Jakarta this afternoon. Speaking with newsmen, Minister Mokhtar said that he hoped Canada will not restrict its textile imports from Indonesia.

Following the talks, the two foreign ministers signed an agreement on Canadian aid totaling Canadian \$9 million or about 7 billion rupiah for a human resources development program within the next 5 years. Under the program, 150 Indonesians will study various subjects in Canada. Canadian Secretary of State for External Affairs Joe Clark today also held a meeting with State Minister for National Development Planning Sumarlin. This evening, the Canadian guest leaves for Bali en route to West Nusatenggara to observe development projects in the region.

MALAYSIACOMMENTARY REVIEWS LATEST KHMER ROUGE OFFER

BK220929 Kuala Lumpur International Service in English 0800 GMT 22 Jul 85

[Unattributed commentary]

[Text] The recent statement by the Khmer Rouge that it would not demand any role in any new order that may emerge in Kampuchea based on a general election and the Vietnamese withdrawal continues to attract comments and discussions. The matter is to be discussed by the Indonesian foreign minister, Mr Mokhtar Kusumaatmaja, and the Vietnamese foreign minister, Nguyen Co Thach, next month when the latter visits Jakarta.

There are several complexities in the Kampuchean stalemate. It is common knowledge that Hanoi and the pro-Vietnamese Heng Samrin group in Phnom Penh do not want to have anything to do with the Khmer Rouge because of the past record of that regime. The Vietnamese keep harping on that aspect as a diplomatic move of keeping alive in the memories of millions of people, particularly in the Western countries, the gruesome events in Kampuchea during the 1975 to 1978 rule of Pol Pot. That tactic may help to win some sympathy for Vietnam as a power that put an end to a totalitarian regime. However, if Vietnam has the welfare of the Kampuchean at heart, it would think seriously of handing back their territory and sparing millions of people now in a desperate condition with some hope of a return to the normal way of life. Instead, Vietnam has preferred to pursue power and to lord it over Kampuchea.

Yet another diplomatic tactic is to evince more interest in a matter that is an emotional issue in the United States, namely accounting for American servicemen who are missing and have not been accounted for. In that way, Vietnam hopes to project a more favorable image of itself in the American media. However, even a successful conclusion of this outstanding issue is hardly likely to impel the American Administration to be more cordial toward Vietnam. Perhaps, if Vietnam were to enter into serious negotiations with ASEAN about withdrawing its troops from Kampuchea, it might be a different story. The fact remains that Soviet economic and military aid are the mainstay of the vast military machine that Vietnam has developed and has deployed for its own ends not only in Kampuchea but also in Laos and inside Thai border regions. The United States will not want to compromise its cordial relations with ASEAN by rushing to grant diplomatic recognition to Vietnam.

Meanwhile, the human suffering and the turmoil that have been set in motion by successive Vietnamese incursions into Thailand have worsened the plight of the refugees. A Thai government official has warned that Thailand may not be able to continue with its present liberal policy toward refugees from Vietnam. The burden on Thailand, a country of first asylum, has been very great. The pace of resettlement in third countries has slowed down perceptibly, and this has certainly given the Thais more problems to deal with. There is some evidence that emigration from all the three Indochina countries has been motivated by economic rather than political factors. The key to this problem rests with the Vietnamese. Only the ASEAN proposal that has been communicated to Hanoi can, if implemented sincerely, bring peace and stability to Indochina and to Southeast Asia as a whole.

25-KM WALL TO BE BUILT ALONG THAI BORDER

BK221422 Kuala Lumpur Domestic Service in Malay 1230 GMT 22 Jul 85

[Text] The government will build a wall costing 43.3 million ringgit on the Malaysian-Thai border in an effort to prevent infiltration by communist terrorists and smuggling activities, particularly those involving firearms and drugs.



The deputy prime minister told the House of Representatives today that the construction of the 25-km long wall -- situated 4.5 meters from the border line -- will begin as soon as the tending authority makes its decision in the near future. However, Datuk Musa Hitam did not disclose on which part of the border the wall will be built.

He added that the government also has a long-term plan to build walls and fences at places as warranted in the future under considerations for national security and interests. He said that special security forces will be assigned at strategic points and that patrols will be made along the wall to ensure its security. Economic activities are also being planned along the wall in the interests of the border population.

#### KELANTAN CHIEF MINISTER ON COMMUNIST INFILTRATION

BK221030 Kuala Lumpur BERITA HARIAN in Malay 13 Jul 85 p 2

[Text] The Kelantan chief minister, Datuk Haji Mohamed Yaakob, says the communist terrorists are still making use of the forested region between Gua Musang and Kampong Loging, near the Cameron Highlands as an infiltration area. He disclosed that security authorities had ascertained that many of the communist terrorists are making use of the region.

Speaking at the opening ceremony of the Kuala Kerai UMNO [United Malays National Organization] representative meeting which was officiated by Datuk Sri Dr Mahathir Mohamed at Pahi secondary national school. Datuk Haji Mohamed Yaakob did not disclose the number of communist terrorists. He said the state government will develop the region by constructing a road between Gua Musang and Kampong Loging soon. To implement the program, the government needs sufficient financial funds besides the state's financial resources originating from forestry products. He said the aborigines' villages are also threatened by the communist terrorists, but the government will not allow the aboriginal society to be used as a tool of the communist terrorists.

Datuk Haji Mohamed also reiterated that the federal government recently granted 9 million ringgit to state government for the continuation of construction work on the Kuala Kerai-Gua Musang highway to Mentara in Pahang. When the highway is completed the journey from Kuala Kerai to Kuala Lumpur will take only about 4 and ½ hours.

#### BRIEFS

NEW PAPER TO BEGIN — Another English language daily, THE DAILY SUN will be in circulation in Sarawak beginning 31 August this year. The DAILY SUN will be in a tabloid form and is the third English language daily to be published in Sarawak besides THE SARAWAK TRIBUNE and BORNEO POST. The Mulu Press Publications Sendirian Berhad director, Dr Patau Rubis, told Berita Harian that THE DAILY SUN will focus on domestic and national coverage. Dr Patau who is also the head of the youth movement of Parti Kebangsaan Sarawak [Sarawak National Party] said, "Basically, we want the daily to report on actual incidents in the state and also to give the opportunity to the public to express their opinion." [Excerpt] [Kuala Lumpur BERITA HARIAN in Malay 11 Jul 85 p 4 BK]

MARCOS ADDRESSES BATASAN SESSION OPENING

HK221230 Quezon City Maharlika Broadcasting System in English 0945 GMT 22 Jul 85

[Speech by President Marcos at opening of second session of Batasang Pambansa -- live]

[Text] Distinguished speaker, Mr Prime Minister, foreign and local guests, Your Excellencies of the diplomatic sector, my fellow administrators in government, distinguished members of the judiciary, my colleagues and distinguished members of the Batasang Pambansa, my countrymen, my friends:

In keeping with both tradition and duty, we meet today as trustees of our people to set anew the annual agenda for our nation. We should perhaps take note that this tradition surrounding the opening of our parliament is as old as the nation itself. In the light when so much talk about the [word indistinct] alleged fragility of our democratic institutions, while the Batasang Pambansa is only 1 year old today, the declaration of partnership between the presidency and this parliament harks back to the very birth of our first republic. If these constitutional principles have survived intact after so many tidal changes in our national history, surely this is one sign that democracy has roots here in our land. There are other signs, and I have come here tonight to report that our democracy has prevailed over a year of crisis and uncertainty, and to seek your support and collaboration in meeting a new turning-point in our national life.

When we convened this assembly for the first time a year ago, we could feel within this chamber the fever of anxiety that gripped the entire nation. The economic crisis was at its height. There was turbulence, confrontation in our streets, and insurgency and subversion took the time and opportunity to revive and regroup. The past year bears witness to our combined resolve and determination to be master of the crisis and not be its victims. We have decisively stopped the slide of our economic fortunes and restored them to health and renewed activity. Against every forecast of collapse made by many, we have turned the odds in our favor and set the goals towards recovery, which is without parallel among nations similarly embattled.

We have demonstrated the efficacy of our democratic institutions and processes in ensuring national stability, in bringing [words indistinct] to meet the tide of crisis in our midst. The elections that brought this parliament into being and the inaugural session of this assembly exemplify our response [words indistinct]. We have met a great challenge of subversion and insurgency which again seeks to take advantage of our economic troubles and political trials. With other nations of the rest of the world, with the confidence of other nations and international institutions, in our ability to surmount our problems and to meet our obligations and commitments, pursuing our international credit, [words indistinct] and the help of the International Monetary Fund is only one aspect of this. As important and significant is the renewed vigor of our bilateral and multilateral relations.

Not all the adversities and challenges however are behind us. Our agenda remains heavy. It remains full, but we have moved beyond the arc of crisis into a new phase of struggle. At certain times in our history the aspirations of our people and the course of events converge at a single time to shape a turning-point in our national life. So it was in 1896 when the land was wracked by the tremors of revolution. To meet this challenge we must address squarely those [words indistinct]. When we speak of national priorities today, the first in our minds is our economic (?reprieve) and specifically the progress of the national recovery program.

To understand recent developments and directions in the economy, we must first understand the nature of the crisis that struck us in 1983. To simplify a rather complex phenomenon, the crisis stemmed from two factors: our vulnerability to the unexpected drop in access to international credit and high interest rates, and our difficulty in managing our balance-of-payments position with limited resources, in [words indistinct] circumstances of the formulated international recovery program. The program which began in 1984 struck five lines of action. Let me outline them to you.

First, a financial package to modify the maturities of part of our external debt, to assume normal credit lines, and to commit fresh credits to finance input, eliminate arrearages, and build up our international reserves.

Second, a disciplined financial and budgetary program to stabilize our balance-of-payments position, exercise greater control of public spending, and contain inflation.

Third, a structural adjustment program for the economy consisting of major tariff and agricultural reforms; liberalization of import restrictions; investment and export promotion, and energy self-reliance.

Fourth, an economic priorities plan focused on the balanced development of both agriculture and industry.

Fifth, the expansion of our (? fixed) programs in employment, health, nutrition, housing, education, and the improvement in the quality of social services to help our people, especially the most disadvantaged, to cope with the effects of the economic crisis and the impact of the stabilization program.

These adjustments of course have been criticized as too severe, nay, painful. But these were necessary to put the economy back on its feet. We did not flinch in facing up to these demands, in biting the bullet, as they say. With real imagination, we have taken the calls to relief and to recovery. And today, as we make clear in this chamber, we can proudly say that we have passed the initial test and economic recovery has begun.  
[applause]

The financial package covering the period from October 17, 1983, to December 1986 amounts to \$13,760,000. Of this amount, about \$3.6 billion represents new money, principally intended for the general requirements of our economy. The most critical components under the program is the standby facility from the IMF amounting to SDF [special drawing rights] 615 million or approximately \$610 million. The Filipino request for this facility was approved by the board on December 14, 1984. We drew the first tranche of \$80 million last December 28, 1984. We expect the release of the second tranche of \$107 million this July because we have met successfully the performance targets agreed with the IMF last May 31, 1985.

The financial package likewise provides the country with \$925 million in new loans and a credit line of about \$3 billion to finance exports, imports and reschedule over a period of 10 years' maturities of \$5.8 billion falling due between 1983 and 1986. It has been suggested by some quarters that the government did not have to deal with the International Monetary Fund with respect to our debt payment. Dealing with the IMF and other creditors, however, was the only honorable alternative. First because we are a signatory to the Bretton Woods Agreement of 1945, and that we cannot renege on our debt payment; and second because we have to protect our external position in view of future requirements for capital.



With respect to the economic stabilization program, we are meeting successfully the key objectives of improving our balance-of-payments position. The deficit in the current accounts was reduced to \$1.3 billion in 1984 from \$2.75 billion in 1983, surpassing the target of \$1.5 billion set for the year. The large improvement in the current accounts resulted in an overall balance-of-payments surplus of \$243 million in 1984, reversing a deficit of \$2.1 billion in 1983. The result of the first 2 months of 1985 was even more positive with a current accounts surplus of \$165 million as compared to a deficit of \$502 million for the same period in 1984. As of June 1985, our international reserves stood at \$1.6 billion. Our total liabilities at the end of December 1984 amounted to \$25.4 billion; as of the end of March 1985, this declined by \$212 million to the level of \$25.2 billion.

In the domestic sector, the rapid acceleration of commodity prices have levelled off. The inflation rate has declined by a significant 7.34 percentage points, from 34.99 percent in May to 27.65 percent in June this year. Even more gratifying is the new increase of 1.5 percent in the inflation rate from January to June of this year. At the same time the interest rates have gradually tapered from a peak of 37.5 percent in November 1984 to 23.6 percent as of July 19 this year.

For the first 6 months of this year the interest rate averaged 25.6 percent. To reduce the cost of raw materials to make our industries operate more efficiently, average nominal tariff rates were lowered to 28 percent in January of this year from the pre-tariff reform average rate of 43 percent. A uniform mark-up of 25 percent on imported goods has also been adopted. Moreover, an additional 46 nonessential and unclassified consumer items can now be freely imported without prior approval from the Central Bank, bringing to 967 the total number of liberalized items.

In the energy sector our dependence on oil imports has gradually declined due to the continuous substitution of domestic energy resources for imported energy. The export marketing system for coconut products has been liberalized. I have ordered the preparation of the rehabilitation and development program for coconut as well as for the sugar industry, even as we provide food and other assistance to displaced workers. Furthermore the importation of wheat and the distribution of flour has been opened to the private sector. These measures will give more incentives to the farm sector to produce more efficiently, and agricultural product prices would not reflect competitive market conditions. Significantly this year we expect to harvest our largest rice crop ever. We shall see a harvest of 163.9 million cavans of palay, equivalent to 5.4 million metric tons of milled rice; this is 4.5 percent higher than last year's harvest and 1.2 percent higher than our 1982 record crop.

Meanwhile, there has been some improvement in income distribution in our country. There is a canard about the fact that there is a reduction on the [words indistinct] 60 percent of our population [words indistinct], while the [word indistinct] 60 percent of families in the income ladder increased their participation by 1.2 percentage points from 21.7 percent during the first quarter of 1981 to 22.9 [words indistinct] in 1983, based on [words indistinct] of all households. Average annual income to both rural and urban households income increased five-fold from 2,818 in 1971 to 14,646 in 1982, while average urban household incomes improved four-fold from 5,867 pesos in 1971 to 23,637 in 1983.

The latest statistics show that the level of unemployment has levelled off. The 1st-quarter data for 1985 showed an actual decrease in the unemployment rate of 5.8 percent, down from 6.3 percent, and the underemployment rate to 24 percent from 36.5 percent over the same period last year. The number of laid-off workers for the first 4 months of this year showed a decrease of a huge percentage of 43.7 percent to 23,280 compared to [words indistinct] over the same period last year.

An even closer look at the employment data show that the number of self-employed have increased by anywhere from 12 to 15 percent in the first quarter of this year over the same period last year.

So now what are our tasks for economic management? All these gains taken singly or all together are a signpost pointing out the recovery program is working and that the sacrifices and tasks we have borne with fortitude have not been so in vain. But we have only seen the first (?effects) in this our [words indistinct] road to recovery. We cannot linger on the [word indistinct] risk and not to complacency. Let us [words indistinct] of the crisis [words indistinct] today. Our economy and our recovery efforts are challenged by circumstances beyond our control, by conditions beyond our shores. We have been confronted by a slowdown in world trade, by a growth recession in the United States, by a fall in export prices, and [words indistinct] in the developed economies of the United States, Japan, and Europe. These will hamper our prospects for higher export growth but this should encourage us to further diversify our exports and search for other nontraditional markets for our products. We must recognize that the emergence of a dynamic national economy will not be an accident of development but a product of a conscious national effort, animated by a vision for our people.

At least six areas of economic management need to be subjected to further action and reform for the rest of 1985 and 1986. First, we shall continue to adhere to a disciplined financial and budgetary program, to stabilize our balance-of-payments position; maintain an enduring reduction and reinflation rate and exercise greater control in public spending. We have to maintain positive interest rates principally by keeping the inflation rate as low as possible to encourage greater domestic production and investment. We expect the inflation rate to decelerate further to around 10 percent by the end of this year, and further down to a single-digit level by 1988. Money supply expansion must be restricted and we will restrict this to around 15 percent to further bring down the inflation rate. Domestic borrowings from the public sector will be regulated, and the national government budgetary deficit will be further cut down this year.

Second, we shall strengthen, and where necessary rehabilitate, the financial system to improve its efficiency and to restore public confidence. Third, we shall limit government sector involvement to socially desirable activities and to those who are in the private sector who are unable and unwilling to invest due to unprofitability, [words indistinct], but which activities are all [words indistinct] social and economic priority.

Fourth, we shall step up the revenue-generating capacity of the public sector for an upgrading of the tax and nontax system and to a more efficient resource utilization. Let me say at once that we do not propose or contemplate any new or additional taxes. Action is required to repeal and change certain tax measures in the interests of improvement and [words indistinct]. To improve resource mobilization, we will strive for a more efficient tax-collection system to achieve a broader tax base. Rather than more taxes, better collections of taxes. [applause]

To improve the collection and utilization of tax resources shall be the focus of our efforts in the coming year. Volatile international taxes shall be replaced by more desirable domestic ones. The tax on gross receipts for foreign exchange transactions and the remaining 5 percent additional ad valorem import duty shall eventually be phased out in favor of alternative and better, more progressive tax measures.

To ensure more efficient resource utilization, public investments will be regularly programmed. Due to our limited public funds we have to curb any future spending and test them in accordance with our recovery program. The priority of course shall be given to ongoing projects, those with the highest economic and social rates of return and those [words indistinct] mostly from foreign sources.



Three, we shall revitalize the agricultural sector which is envisioned to prepare a national recovery and sustain economic growth in the coming year. Finally we must press on structural reforms to improve the efficiency of resource allocation, to make our industries internationally competitive, and to develop and diversify the domestic renewable sources of energy.

For such changes to be undertaken smoothly, it is imperative that we have industrial peace. It is imperative that there be no disruption in the production process which will hamper government's efforts to ensure price stability and a favorable financial environment to encourage more investments, the creation of livelihood opportunities and a rise in income and wages. Towards this end I have recently created the Presidential Council for Economic Recovery headed by the prime minister. I have directed this body to address issues of importance to economic recovery and to study ways and means to promote the harmonious relations among the tripartite sectors -- government, workers, and employers. For the productivity we seek simply will not be achieved if our factories and plants do not operate. All of us of this country sink or swim together, and we shall swim above the water only if we will it.

In pursuing the initiatives for the economy and our people, peace and security are imperative for its success. As the experts do say, economic recovery will solve most of the substantial problems confronting us; but over and above economic progress, there is need to eliminate insurgency. This administration has shown how much can be done to strengthen law and order in our social life and to secure the republic from every threat to overthrow it. To claim that our country and government is in danger of a takeover by the subversives has no basis in truth. The Armed Forces of the Philippines has taken the initiative after that awkward moment when once we reduced the appropriations of the defense and armed forces establishment by 20 percent since 1983, 1984, every year, and in 1985. I have now released these reserves that were set aside for the Armed Forces of the Philippines, and they are now utilizing this to improve the combat power of the Armed Forces of the Philippines.

The Armed Forces of the Philippines has taken the initiative and, as you can read in media, the New People's Army are beginning to surrender in droves. Likewise it is significant that 70 percent of violent incidents perpetrated in the countryside and in some urban areas in recent years have been initiated by the subversives. Political bias should never cloud our perceptions that these acts of violence, of mindless, ruthless terrorism, hurt the armed forces perhaps, but the principal casualties are our citizens.

Our response to the insurgency has been a dual strategy. In the short term this strategy consists of uncompromising utilization of combat and military power and the application of national security law against insurgency. But we keep an open hand; we invite our fellow Filipinos who have been misguided and gone to the hills to return to the fold of the law. In the long term our strategy seeks to achieve social, economic, and political development as the lasting guarantee for social peace. But I repeat: So long as there are those who believe that power comes from the barrel of a gun, who utilize violence in order to grab that power from the duly constituted and legal authorities of the republic, counter-power will be necessary to meet the challenge.

It is worth remembering that the Philippines stands unique in Asia in having successfully beaten a communist insurgency twice, once during the time of President Magsaysay, and once in the 1970's, when the Partido Komunista ng mga Pilipinas surrendered to me in March in Nueva Ecija, 1974, and this without the presence or help from any foreign troops.

The record of our current campaign assures us that we did this before, we are doing it now, and we will do it again. [applause]



Of course, the Armed Forces of the Philippines have undertaken serious reforms in its command structure, personnel training, and retraining. There are seven retraining areas in the Philippines, five in Mindanao and two elsewhere. Unit and individual logistics and tactics for small and larger units will place highest priority on both troop discipline and morale. At the same time we have launched a 1 billion peso civic action program to be implemented, together with the military campaigns, in those areas where the NPA operate. They include civil relations work that enables our Armed Forces to mobilize local populations for government and civic action programs and in drawing up integrated security plans for the entire economy. Incidentally, we have drawn up for every community, large and small, individual security community plans that fit the requirements of each and every village, town, and city.

In human history, it has often been the fate of a nation's soldiery, and I quote, to be neglected and ignored in times of calm and to be trustingly looked to in moments of strife. The Armed Forces of the Philippines is no different. We must not make the mistakes of only moving to support our Armed Forces and [words indistinct] when the enemy is already at the gate. In the kind of world we live in today, moments of calm and peace are merely the cover under which insurgency and subversion fester. There is no specific time for us to be watchful in our vigil over our security of the nation. Every moment, nay every second, is a test of our watch.

To say this is to underscore the fact that we must also fight vigorously on another front, the battle of ideas. It often seems to me that it is at least one of our shortcomings [word indistinct] because we have been complacent while the other side has been driven, obsessed, fanatical. We have been oblivious to the transparency of radical ideas, we have been hesitant in the advocacy of our own ideology. At this crucial time in our national life, we must stress anew the need for further reforms in the machinery of government. It was once said government is personal; it is as compassionate, it is as vibrant, or as ineffective and spiritless, as the men and women who shape the laws, who make the decisions, and who translate programs into action. I believe that there is much that we can do to improve the quality of government, its machinery, its manpower, its methods, so that our programs may fully touch the lives of all our people and our community.

And so let me come to the [words indistinct] of a legislative program, as later on I shall submit to the Batasan the proposed legislation to meet the problems of economic recovery and insurgency. For in all these initiatives; as I have repeatedly said, we need the support and collaboration of this august assembly. In some areas we shall look to you for action that requires the making of specific law and policy.

High on your legislative agenda, because it is so required, they are fundamental laws, I urge all honorable members of the Batasan to support the 1986 budget proposal, which is the life-blood of the government's action program for the nation. As we move forward in development and reforms, the human resources development program, or HRD, becomes obviously the critical idea, the linchpin, that we must develop and support, not only through the KKK [National Livelihood Program] which I announced in 1981, but the sariling sikap [Self-reliance] program. I urge the Batasan to give this the highest priority.

In line with strengthening the political process, we urge the speedy passage of electoral reforms, which are vital for the holding of free elections next year and beyond. I refer the local elections of 1986, which if the present and existing law is to be supported, means the elections will be held in May or thereabouts of 1986, and the presidential elections to be held about the same time in 1987.

In support of agriculture as the linchpin of the national economy, we shall seek legislation providing for incentives for agricultural development, in fact, we are sending before you now. To rationalize the role of private corporations in a free enterprise or egalitarian economy, we shall seek guidance from the Batasan to improve the internal structure and operations of public corporations, and to effectively supervise and regulate corporate activities.

In support of every initiative we take in the sphere of social equity, government reform, and peace and security, we shall, as ever, seek the counsel and assistance of this assembly.

As you are well aware, the subject of hidden wealth abroad, appearing in the media over the basis of distortion to be humorous gossip and speculation, has been brought to the investigative stage by the Ministry of Justice, and of course you also know that I have ordered that evidence be obtained by the foreign minister through the foreign diplomatic missions abroad, to document all properties belonging to all Filipinos, irrespective of whether they are public officials or private individuals, and irrespective of course of their party affiliation.

On the military facilities agreement with the United States, the president, who by position and by the provisions of the fundamental law is in part foreign policy formulator, would welcome advice from a commission or a committee organized by the Batasang Pambansa. In relation thereto, I have also ordered the Ministry of Justice to investigate the Amworld contracts for foreign military sales credit contracts made with the United States Pentagon to the sum of \$6 million.

Now this then is a cursory outline of the course we ask the nation to take. This is not a complete listing of the items that we must immediately attend to, there are others, but these are the policies and programs which today we commend to the support and collaboration of the Batasan. We have no illusions that these proposed policies and programs will resolve overnight every problem before us, or fulfill in a fortnight every aspiration we nurture. We know rather that [word indistinct] this difficult agenda, its initiative with [words indistinct], calls for effort, for dedication, and above all, collaboration among us and amid all sectors of society. Irrespective of our party affiliations, we are Filipinos. We love our country, and we seek its sovereignty, development, progress. We have visions for that country, you and I, and to attain those visions, we must work together. May I repeat my appeal made [words indistinct], who is going to run the republic? Let us be sure that the republic is first saved by us. Otherwise there may be no republic left. [applause]

As the leader of the majority party or the government party, I assure the opposition that we will extend to them all due help and support in order that we will hold free and honest elections in the years to come. [applause]

We have an election code, and it is my hope that this election code will apply to all elections after this and that there will be no need to approve any other election law until the term of the next president in 1993 is ended.

At the same time, I also can say that [words indistinct] the opportunity that they may desire to (? define) their own objectives and visions for this country, we ask that if there is any plan, program, project that the opposition has in order to help the (? economic) recovery and the insurgency program, the presidency as well as the leadership of the government and the majority are ready to listen to these proposals. [applause]



The recovery involves in the national economy the well-being and welfare of our 54 million people, the campaign against subversion, insurgency, and the economic crisis, the campaign for stability, law, in our social life, the revitalization of the institutions that guarantee our stability in our society, the bonds between the man in uniform and the people, the strengthening of our democratic institutions, and the apparatus of government, all these tasks are [words indistinct] step by step, with patience, if necessary, but always with determination to see them through to their fulfillment. For all these tasks are surely not for the leadership alone, not for our sympathizers alone to pursue and to bring to fruition. Surely this business of making our nation strong, prosperous, and to keep our people happy is above such [word indistinct]. Surely it should [word indistinct], you in the opposition as well as us.

I cannot believe that any Filipino, any of our leaders regardless of belief and persuasion will wish us to fail in these measures and see our people suffering in misery and ignorance, in the petty hope that our failure may then give rise to their coming to power. I cannot believe that any countryman of ours, the heir of so many historic struggles of our forebears, our fathers, for national independence, would impose upon this land the renewed intervention of any foreign power in our internal affairs. Let us, I repeat, if we must, contend in the political arena, retaining the decencies that you and I are well aware of, but when the issue (?means) the people's welfare, the honor, and the future of our nation, let us be one and undivided. Let our object be our country, our whole country, and nothing but our people and country. [applause]

Ladies and gentlemen of this assembly, when I came here a year ago, it was to forge our partnership at a time of trial for the nation. I return today at the moment of resurgent hope and pride in our people and in our land. I spoke with no little apprehension then, but today I speak with confidence and optimism. For this turning point in national life is also a moment of opportunity for our nation. Let us seize this moment together. Let us make common cause whatever party we belong to, strengthening our one and only family, or one and only party, and that is our people and country. I pray for your success, as I pray for our country and people. Thank you and good day.

#### WORLD BANK LOAN SOUGHT FOR BANK REORGANIZATION

HK200548 MANILA BUSINESS DAY in English 19 Jul 85 p 2

[By Rigoberto D. Tiglao]

[Text] The Philippine government is asking the World Bank for a loan, expected to amount to at least \$100 million, to finance the reorganization of stateowned banks and other financial institutions. The new World Bank lending -- officially termed the "financial sector loan" will be a structural-adjustment type of program credit, which means that it can be extended only with the government's implementation of a World Bank-approved set of policies that will involve not only the restructuring of the government banks but the entire financial system of the country as well.

A World Bank team arrived in Manila last week and has started talks with government representatives to draw up a blueprint for the loan. World Bank official Masaharu Shimizu of the Bank's East Asia and Pacific division is in charge of the technical aspects of the loan, while another Bank economist, Barbara Kafka, is drawing up with government representatives the set of financial policies that the government will commit to undertake as conditions for the loan.



The World Bank officials in the past week have talked to ranking officials of the three government banks with special charters -- the Philippine-National Bank, Development Bank of the Philippines, and the Land Bank of the Philippines -- and with the five government-controlled commercial banks to get their views on the reorganization plan as well as on proposed policies that will affect the country's financial system.

Included in the reorganization plan are the other government financial institutions -- the Philippine Export and Foreign Loan Guarantee Corp., Social Security System, and the Government Service Insurance System. The state-controlled commercial banks which the government wants to be either merged into one or two institutions or sold off the Union Bank of the Philippines, Commercial Bank of Manila, International Corporate Bank, Associated Bank, and the Republic Planters Bank.

BUSINESS DAY sources in the government said that while no definite amount for the loan has been set, it is expected to amount to at least \$100 million. This financial sector loan will be entirely different from the other World Bank loan the government is requesting for the rehabilitation and restructuring of its over 100 corporations. This other loan, termed as the "public corporate sector loan," is estimated to amount to \$250 million.

Several reasons were given for the government decision to ask for the new loan. Funding will be required to allow the government banks to write off their billions of pesos in bad debts. Fresh capital will also be needed to strengthen the restructured banks, or to set up the proposed industrial bank.

The government actually has little choice but to incur the new loan since funding for the reorganization of the government's financial institutions cannot come from the national budget because of the limits imposed by the International Monetary Fund (IMF) on the budget deficits the government may incur during the duration of the IMF's standby credit facility to the Philippines.

The financial sector loan will provide the country with an additional source of much-needed foreign exchange so it could weather its current debt crisis. Although the mechanisms for the financial sector loan have not yet been drawn up, its effect is expected to be similar to that of the past structural adjustment loans the country has availed of from the World Bank. While proceeds of the loan will be in dollars, which will add to the country's foreign exchange position, much of the funds the reorganization plan will be using will consist of the peso equivalent of these dollar loans.

A more compelling reason for the new foreign loan is the country's situation now. As Prime Minister Cesar Virata himself pointed out, the country cannot avail of a new commercial loan from its bank creditors, aside from the \$925-million syndicated loan the foreign banks recently agreed to extend. The government, therefore, has to rely, at least in 1986, on loans from the World Bank, other multilateral institutions and foreign governments to provide the foreign exchange the country requires to stabilize the economy.

#### NEGATIVE 3.5 PERCENT GNP POSTED IN 1ST QUARTER

HK221505 Manila BULLETIN TODAY in English 22 Jul 85 p 21

[By J.C. Concepcion]

[Text] The country suffered a negative 3.5 percent in its gross national product during the first quarter of the year, Prime Minister Cesar Virata said yesterday.

He failed to give GNP projections for the whole year but said a P2 to P3 billion budget deficit is expected by the end of the year. The bulk of this projected deficit, he said, will be covered by commodity and project loans that the country expects to receive from foreign creditor countries.

Earlier reports said the National Economic Development Authority [NEDA] projected this year's GNP to be flat at best and to decline by as much as one percent at worst. The projections were based on data submitted recently to the International Monetary Fund and the 12-bank advisory committee of the country's foreign bank creditors.

The NEDA was also reported to have projected earlier that GNP or the total goods and services produced in any given year would grow by as much as 1.5 percent this year. The revised GNP projection of NEDA for this year was based on the significant declines in export revenues during the first few months of the year, earlier reports said. Virata said the government started with a projected P6.5 billion deficit this year but reduced this projection to only between P2 to P3 billion by the end of the year.

#### FORMER INFORMATION MINISTER ASKS CHARGE DISMISSAL

HK220316 Hong Kong AFP in English 0303 GMT 22 Jul 85

[Text] Manila, July 22 (AFP) -- Former Information Minister Francisco Tatad today asked a court to dismiss graft charges against him, saying he was deprived of justice by the ombudsman who has lost jurisdiction over the cases due to delays in filing the charges. The graft charges against Mr. Marcos's former spokesman from 1969 to 1980 were filed by Mr. Tatad's former aide at the Information Ministry in 1980 after the minister broke with the president. State prosecutors brought the charges to court only on July 12.

"The Tanodbayan (Ombudsman) deprived citizen Tatad of due process of law... and of his right to a speedy disposition of his case," Mr. Tatad's lawyers said in their motion asking the court to quash the charges against him. They argued that the delay amounted to "loss of jurisdiction and authority to file the informations."

Court records show that Mr. Tatad is accused of demanding a bribe for releasing payment to a printing firm for a finished project, and unfairly awarding a government contract to his brother-in-law's firm during his term at the cabinet. Mr. Tatad, 45, was also charged on three counts of failing to file sworn statements of his assets and liabilities in 1973, 1976, and 1978.

Presiding Justice Romeo Escareal ordered state prosecutors to comment on Mr. Tatad's motion not later than Monday, and reset the arraignment scheduled for today to August 12. Mr. Tatad, who gained temporary freedom by posting a 23,000 peso (1,240 dollar) bail after the graft court ordered him arrested, also asked the court to cancel the bail bonds which he filed for his liberty. He reiterated his innocence before reporters after the court hearing, and said Mr. Marcos merely wanted to harass him to draw attention away from a brewing property scandal involving the chief executive.

The California-based newspaper MERCURY NEWS last month published a report listing the Marcoses, Filipino public officials, businessmen and people close to the president as "owners of multimillion dollar properties and businesses in the United States." This sparked demands for Mr. Marcos' resignation. Mr. Tatad, a newspaper columnist and opposition figure, had been blasting the Marcoses over the "hidden wealth" scandal that broke this month. He denied suggestions that he was using the charges against him to further his political ends. "My honor has been assailed and my liberty is threatened. I have every right and duty to fight back," he told reporters.

BRUNEIGOVERNMENT QUIET ON NEW POLITICAL PARTY

BK191516 Kuala Belait THE BORNEO BULLETIN in English 6 Jul 85 p 2

[Text] The Brunei Home Office and the istana [palace] declined to comment this week on the formation of the state's first political party since the 1962 rebellion. Brunei National Democratic Party (BNDP) -- Partai Kebangsaan Demokratik Brunei in Malay -- was registered by the Brunei Government on May 30 and announced in Singapore last week.

Awang Haji Abdul Latif bin Awang Chuchu, party secretary-general, said Singapore was chosen for the announcement because there were no daily papers in Brunei.

The party hopes to recruit 5000 members before it is officially launched in Bandar Seri Begawan in September. The party was formed by a group of Malay businessmen. About 50 middle-level entrepreneurs met twice at the Brunei Hotel in March to form the party and applied for registration to the Police Commissioner Pengiran Omar, the Registrar of Societies. The party's policies include upholding freedom of speech and writing and supporting the government's Malay Islamic Monarchy concept and the people's loyalty to his majesty the sultan and Yang dipertuan [state ruler].

A 26-man committee has been formed which includes Zainuddin bin Dato Marsal, the son of a former Brunei menteri besar [chief minister].

Awang Zainuddin, 43, the party's deputy secretary-general said the party would not seek immediate radical changes to the system of government. "We could not cope with such a change," he said. He said the BNDP had written police approval to hold the March meetings. Awang Zainuddin is a former member of the Brunei police Special Branch who retired from the force in 1968 to go into business. The BNDP included members of inactive or de-registered political parties in Brunei, he said. The party's Constitution emphasized the need to protect Brunei's Islamic way of life. Other objectives were to promote Bumiputra businessmen and cooperative societies, to improve the wages of lower paid workers such as farmers and fishermen, to defend Malay as the national language and make it "the language of economics and politics."

FIJIPRIME MINISTER WELCOMES SHULTZ AS 'TRUE FRIEND'

HK161338 Hong Kong AFP in English 1335 GMT 16 Jul 85

[Text] Suva, Fiji, July 16 (AFP) -- U.S. Secretary of State George Shultz was given a warm welcome here today when he flew in on a brief stopover after an Asia-Pacific tour. Mr Shultz arrived here from Australia on his way back to the United States after a 13-day Asian and Pacific tour which also took him to Hong Kong, Thailand and Malaysia. He was welcomed by Fiji prime minister, Ratu Sir Kamisese Mara who called him a "true friend of Fiji." Mr Ratu Mara recalled that Mr Shultz last visited Fiji more than 40 years ago in the American forces.

Before beginning brief talks at an airport hotel, Mr Ratu Mara said Fiji's policy was "to seek the closest possible relations of friendship and partnership with the United States." "We are looking to your country as a friend of all in the South Pacific. We are a small country but we shall always remain ready to join forces with you to give our region and the world at large the peace and tranquillity we all need," he added. Mr Shultz replied: "We are particularly grateful for your deep sense of responsibility regarding regional security."



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